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TODAY: ESSUF

For India's 50th Anniversary, Mixed Emotions

Many Praise the Achievements of Democracy, but Decry Country's Persistent Poverty

By John F. Burns
New York Times Service

KAITHWARI, India — With monsoon rains sheeting down outside, Dawa Chand has passed many days in his tiny, darkened tent-maker's shop in this north Indian village, stitching bunting to flutter over village rooftops on the 50th anniversary of India's independence at midnight on Aug. 14, 1947.

As he pedaled his treadle sewing machine, Mr. Chand, 31, considered what India's half century as a free country had meant to people like him, villagers who account for nearly three-quarters of the country's 970 million people.

The question goes to the heart of India's nationhood, since it was in the country's 650,000 villages that Mohandas K. Gandhi, who led the independence struggle, found what he considered to be India's soul.

Mr. Chand strikes a note of optimism, crediting free India with achieving more for people like himself, an untouchable at the lowest rung of India's social hierarchy, than has been acknowledged by many of the country's critics.

"We are still backward, of course, but we are moving forward, and we owe this to the mahatma," he said, referring to Gandhi, a champion of the untouchables. "Because of him, people like myself are making progress our fathers and grandfathers never imagined."

In the myriad voices that have been raised in India in its 50th year, there have been many like Mr. Chand's, full of satisfaction for what the decades of independence have brought. Many others have been filled with doubt and recrimination.

But perhaps the largest number of Indians have reacted with ambivalence, unsure of how to take the measure of a country so vast, so populous and so diverse that is has always defied attempts to define it.

Should Indians celebrate that their country — a grand tapestry of castes, languages, regions and faiths — has survived despite forecasts that it would splinter

A birthday without a party. Page 10. • Pakistan appeals for peace. Page 4.

once Britain's controlling hand was removed? Or do they despair because inherent strains have spawned secessionist movements and other forms of violence that have made India one of the most lethal places on earth?

Should Indians take pride in their parliamentary democracy, vigorously upheld in a world where countries with far fewer problems have remained stifled by autocracy? Or should they lament the failures in their system, the demagogues who have risen to power on the votes of illiterate masses only to betray them, the politicians at every level who have built lives of sybaritic comfort for themselves while 350 million Indians remain mired in poverty?

In recent years, there has been another conundrum, the huge gap that has emerged between the new India of high technology, and the old India of the bullock cart. In Bombay, New Delhi, Calcutta, Madras and scores of other cities, an economy is emerging based on computers, rapid jet travel, air-conditioned hotels and mobile telephones.

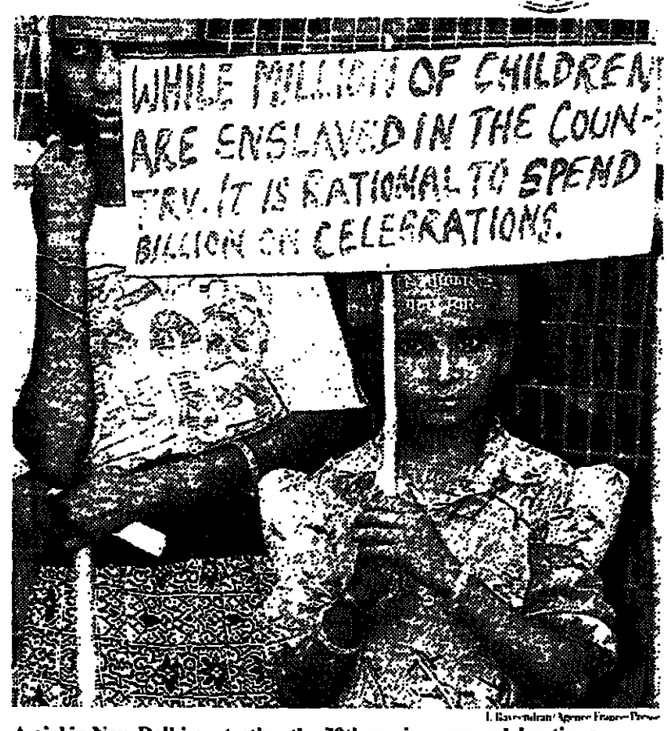
This economy's new middle class numbers in the tens of millions, yet exists in an uneasy symbiosis with an India where tens of millions of others cannot afford medicine when they are sick and send their children into the street to bang on car windows for coins.

In weighing these contrasts, Indians are asking what matters more, that a country once racked by famines is now feeding itself and even exporting grain, or the crushing levels of illiteracy, disease and poverty that remain India's scourge?

As Indians search for answers, many cannot even agree on what standard they should use. Should they compare India now to the India of 50 years ago or to the accomplishments of a dozen more prosperous Asian nations, most of which India dwarfs in complexity and size?

These contradictions, apparent everywhere in India, were plainly evident in the differing attitudes toward

See INDIA, Page 12



A girl in New Delhi protesting the 50th anniversary celebrations.

Bundesbank Bares Teeth At Kohl On Budget

By John Schmid
International Herald Tribune

FRANKFURT — It has become fashionable in economic circles to call the Bundesbank a lame duck or paper tiger as the German central bank approaches the twilight of its existence.

The tiger, however, has begun to bare its teeth.

A pronouncement Thursday from a senior Bundesbank official — warning the Bonn government of a 10 billion

NEWS ANALYSIS

Deutsche mark ($5.43 billion) hole in its 1997 budget — is the latest in a series of tough positions meant to remind the rest of Europe that the German central bank remains autonomous and uncompromising in its hard-money campaign.

Puncturing the credibility of the Bonn government's already-bleak budget forecasts, the rebuke from Klaus-Dieter Kuehbacher, a Bundesbank council member, is certain to increase pressure on Chancellor Helmut Kohl, who is struggling with a fractious coalition, record unemployment and an inability to reshape the economy to compete in an era of globalization.

Mr. Kuehbacher said the Bundesbank was "concerned" that growth in tax revenues was not keeping pace with economic growth. "Something must be done about this," Mr. Kuehbacher said. "The tax base is eroding."

The central bank had warned in its monthly report, released on Thursday, that tax revenue was likely to be below government estimates, but it did not quantify the shortfall.

[A spokesman for the Finance Ministry said the government thought that second-half tax revenue would be high-

See TEETH, Page 6

Earliest Fossilized Sign of a Strolling Homo Sapiens

Lee Berger, a South African paleontologist who described the findings, working at an ancient butchery site near a lagoon of the country's coast. He believes the area to be the place of origin of modern humans.

Ancient Trail of Footprints in Africa

Johannesburg Scientist Describes 117,000-Year-Old Human Record

By John Noble Wilford
New York Times Service

NEW YORK — The earliest fossilized footprints of an anatomically modern human being have been discovered in 117,000-year-old sandstone on the shore of a South African lagoon, scientists reported Thursday.

Fossil bones may inspire paleontologists, while a particular type of DNA may satisfy geneticists that they have traced modern Homo sapiens back to a certain time in Africa. But nothing is more evocative of human ancestors as living, walking people than a trail of footprints. The latest discovery is particularly welcome in the study of human origins because the fossil record, in bones or footprints, is woefully incomplete for the period when archaic Homo sapiens evolved into the modern species. Most paleoanthropologists, and especially geneticists, think this fateful transition occurred between 100,000 and 200,000 years ago.

Until now, only about 30 ancestral human fossils from that period — and no footprints — have been found anywhere in the world, mostly in southern Africa. It is a romantic stretch, but the individual who left the prints might even have been the "African Eve," the one common ancestor of all living humans that geneticists think lived at about this time.

"These footprints are traces of the earliest of modern people," said Professor Lee Berger, who led the research team that found the prints.

Mr. Berger, a paleoanthropologist at the University of Witwatersrand in Johannesburg, described the findings at the National Geographic Society in Washington. Articles on the research are being published in the September

See FOOTPRINTS, Page 6

A 'Dismal' Mir Mission Ends With Safe Landing

2 Wobbly Cosmonauts Return to Earth

By Daniel Williams
Washington Post Service

KOROLYOV, Russia — Two Russian cosmonauts returned safely to Earth on Thursday and ended a rough six-month voyage aboard the Mir space station, whose multiple breakdowns threaten to cripple Russia's space program.

Vasili Tsibliyev and Alexander Lazutkin parachuted to Earth aboard a Soyuz space capsule. They landed at about 4:20 P.M. Moscow time in Kazakstan, a former Soviet republic from where Russian space probes are launched and on whose desert expanse manned missions end.

Russian television showed both cosmonauts being carried by soldiers and technicians from the capsule. Space travelers are usually wobbly after spending a long time in weightless conditions.

"Satisfactory," said the mission doctor, Igor Goncharev, upon taking Mr. Tsibliyev's pulse.

"Alive!" said Mr. Tsibliyev, with a smile. "I'm happy to be on Earth."

Mr. Lazutkin appeared somewhat more tired. The two embraced after putting their feet on Earth.

Ground controllers and engineers at Mission Control at Korolyov, near Moscow, burst into applause at the news.

But the return of the cosmonauts is far from the end of their ordeal. They will now be queried on their role in various mishaps, in particular, a June 25 collision with a cargo craft that punched a hole in Spektr, one of Mir's six modular chambers.

The collision was the low point in a mission — one which the Itar-Tass press agency said set a "dismal record" for mishaps. Mr. Tsibliyev and Mr. Lazutkin have bequeathed numerous repairs to the crew still on board: the replacement cosmonauts, Anatoli Solovyev and Pavel Vinogradov, who arrived last week, and the U.S. astronaut Michael Foale, who has been on Mir for three months.

They will try to repair Mir's crippled power system and a malfunctioning oxygen generator. The three are also making do with stored drinking water because of fears that a water-producing system is contaminated by anti-freeze.

"I hope that everything bad will leave with us," Mr. Tsibliyev said before the Soyuz detached itself from Mir on its way to re-entry.

At the last minute, ground controllers decided to cancel an inspection trip by Soyuz around Mir to survey and photograph exterior damage. Russian television reported that the decision was made because of fears of another collision. At one point, when discussing

See MIR, Page 6

French Order DNA Sweep In Fatal Rape

By Anne Swardson
Washington Post Service

PARIS — The entire young male population of a village in northwestern France will undergo genetic testing in an attempt to find the person who raped and killed a teenage British girl, an appeals court ruled Thursday.

Systematic DNA testing — as opposed to testing of specific suspects — is highly unusual in most of the world and has never been done on this scale in France. Civil liberties groups here called it a "dangerous precedent." It is becoming more common in Britain, where it has led to arrests in several high-profile crimes.

The decision by an appeals court in Rennes was in response to a suit filed by the victim's parents. The court ruled that all males between the ages of 15 and 35 be tested, and it replaced the magistrate investigating the case. The decision came after a long campaign by the girl's parents and after heavy diplomatic pressure from the British government.

Thirteen-year-old Caroline Dickinson was raped and strangled July 18, 1996, while sleeping in a youth hostel in the village of Pleine-Fougeres in Brittany. She was on a school trip with 39 classmates and was sharing a room with four other girls, none of whom awakened.

Hours later, the police arrested a local vagrant, Patrice Pade, who had a history of sex offenses. He confessed, and the magistrate declared the case was solved. Two weeks later, DNA tests showed that Mr. Pade could not have been the assailant and he was released. There has

See DNA, Page 6

NBA's Forbidden Dream

Politics Block Entry of Towering North Korean

By David Nakamura
Washington Post Service

KANATA, Ontario — The green van rolling past the cornfields in this quiet Canadian town has tinted windows but makes no secret of its contents: "Official Transportation for 7'10" Michael Ri," announces the lettering on the door panels.

Not until the van stops at the Thunderbird Athletic Club, however, can one truly appreciate what it holds, as Ri unfolds himself from the back and stretches to his full height.

Inside the club, some patrons do a double take, but others have grown used to seeing Ri, who steps onto a Stairmaster designed for someone two feet shorter.

For more than two months Ri, 27, has been training here under the direction of the former Canadian national basketball team coach, Jack Donohue, in an effort that both hope will complete Ri's journey from his native North Korea to the National Basketball Association.

Ri, who officially stands 7 feet, 9 inches (2.35 meters), has the size and, Donohue claims, the rapidly improving skills to play in the NBA. Soon to be recognized by the "Guinness Book of World Records" as the world's tallest human, Ri could become the first Asian and tallest player ever in the NBA.

So far, however, no NBA team has officially expressed interest in Ri, primarily because the U.S. State and Treasury departments ruled in May that signing Ri would violate the country's trading-with-the-enemy law, which prohibits U.S. companies from doing business with North Korea.

Still, the people at the sports management company that is financing Ri's training say they think they can untangle the red tape and get him into the pros.

"Not only do we have to deal with the

See TALL, Page 21

Patrick Doyle/The Washington Post

Michael Ri attempting a lay-up at a practice session in Ottawa.

Europe Cuts Vacation Short

Monthlong Break Is Latest Victim of Global Market

By John Tagliabue
New York Times Service

TURIN — Paolo Viberti, who joined Fiat in 1979, used to get all of August off.

The Italian automaker simply shut its big Mirafiori plant, on the edge of this northern Italian industrial city. Last year, though, it kept the plant open to retool for a new sedan, the Marea, and Mr. Viberti, 40, a logistics specialist, got just two weeks off. This August is a little better. Even though the plant is partly open, he will be off three weeks.

Mr. Viberti and his colleagues at Fiat are not the only ones finding themselves on the job during at least some of the dog days of August. All across Europe, there are signs that the Continent's once-sacred long summer shutdown is gradually going the way of homemade pasta and wine in the lunch pail.

The change largely reflects the growing emergence of European companies as multinational players. Prodded by the year-round realities of the global economy, many of these companies are finding that they must keep their offices and factories operating at all times, even though it may often be at a slower pace. It is just one of the changes that compa-

See EUROPE, Page 6

Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	£E 5.50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

The Dollar

New York	Thursday @ 4 P.M.	previous close
DM	1.8397	1.8345
Pound	1.591	1.5835
Yen	117.85	115.855
FF	6.2025	6.187

The Dow

	Thursday close	previous close
+13.71	7942.03	7928.32

S&P 500

change	Thursday @ 4 P.M.	previous close
+2.7	924.72	922.02

AGENDA

Oklahoma Bomber Is Sentenced to Death

DENVER (Reuters) — Timothy McVeigh was formally sentenced to death Thursday for the 1995 bombing in Oklahoma City that killed 168 people.

U.S. District Court Judge Richard Matsch then ordered the 29-year-old Gulf War veteran executed by lethal injection, but did not set a date. That will be imposed by the U.S. Attorney General.

Books ..... Page 5.
Crossword ..... Page 11.
Opinion ..... Pages 8-9.
Sports ..... Pages 20-21.
The Intermarket ..... *Page 7.*

The IHT on-line http://www.iht.com

Less Wild and Woolly / **Urbanization Amid the Vastness**

Alaska, the 'Last Frontier?' Today That Seems a Half-Baked Idea

By Carey Goldberg
New York Times Service

BARROW, Alaska — Board "the Last Great Airline" to the state where license plates extol "the Last Frontier" and the Iditarod sled dogs run "the Last Great Race," and the suspicion cannot but swell that the one-million-plus tourists who visit Alaska each year may be witnesses to "the Last Great Snow Job."

After all, in this state that perpetuates the image of being populated by old "sourdough" cabin-dwellers and bushwhackers, fully half the population of more than 600,000 now lives in metropolitan Anchorage, where in most ways they might just as well be living in Minneapolis or Buffalo. Nearly three-fourths of all Alaskans live in urban areas.

Where men were once said to outnumber women 10 to 1, and their backwoods weirdness inspired the saying that "the odds are good but the goods are odd," the ratio is now closer to 109 men to 100 women.

Eskimo villagers watch 28 channels of satellite television and take courses by Internet. Hunters tracking moose deep into the interior call their wives on their cellular phones to boast from the campfire. Drive-through espresso stands dot highways where the only other sight is eye-straining plains leading to white-meringue mountains.

In a time when a bush pilot can buy designer mustard at a settlement store in the desolate north, Alaskans are struggling with a question that puts in doubt the state's very identity: Can "the Last Frontier" still be considered a frontier at all?

The answer, as gleaned from two dozen Alaskans asked recently in places from Barrow to the Aleutians, seems to be mainly, "Yes, but," — with a loud undercurrent of "No, get over it."

For all the shrinkage of the world, nearly all those interviewed said that living in Alaska remained deeply different from living "outside."

"I've worked in every area of the state — the Aleutian chain, McGrath, Barrow, the Kingscreek Mine — and we have the same conveniences you have outside now, which wasn't true 10 years ago," said Steven Johnson, the manager and cook at an outpost hotel in Nuiqsut, a native village in the North Slope Borough. But still, Mr. Johnson said, "It's different here. I think 'frontier' might be closer to a state of mind."

A growing school of thought argues not only that Alaska is no longer a frontier, but also that the state would do well to move past its frontier mythology altogether. The time is gone, the argument goes, when untouched land was seen as a challenge to be conquered, and now the world is moving toward an ethic that the land must instead be preserved. If there is a central conflict underlying much of Alaskan politics today, it is this question of frontier versus park, of whether various chunks of Alaska's natural bounty should be developed or protected.

"What has happened to Alaska in the last 30 or 40 years is that it has gone from being the last frontier to the last wilderness," said Stephen Haycox, a professor of history at the University of Alaska at Anchorage. "Frontier in the national psyche means economic development, and that is no longer seen as the unquestioned future."

In a recent essay, John Haines, one of Alaska's most respected writers, condemned "this industrial maggot burrowing into the 'last frontier' as if a people could not rest and thrive if that American mirage, the frontier, ceased to exist. But it is already disappearing, exists perhaps now as a kind of tinted vacationland, an immense outdoor theater.

"And I believe," Mr. Haines wrote, "we will learn to live with its absence or perish, as a nation, as a people."

It is enough to make residents wonder, more than a century after the historian Frederick Jackson Turner first lamented the end of the American frontier, whether America has truly come to the end of the road.

Jon Wilson/The New York Times

Even the most gung-ho frontier boosters admit that Alaska is no longer the kind of wild and woolly place it was when the gold miners rushed in 100 years ago, or when the military swarmed in 50 years ago, or even when the pipeline and highway builders invaded in the 1970s.

On the other hand, even if it is not the frontier it once was, it still has space, space, space, residents said, and that vastness places its stamp deep on the state's psyche.

Alaska, which makes up 16 percent of the United States' land mass, is so sparsely populated that it averages just 1 person per square mile, compared with 75 people per square mile nationally, according to the Alaska Population Overview put out by the state Department of Labor. And that space, many say, translates into a sense of opportunity that does hark back to the fortune-seeking of the pioneer days.

Asked if Alaska was still a frontier, Governor Tony Knowles, a Democrat whose election platform included a pledge to consign the still-common "honey bucket," or outhouse, to the museum, responded at first with a knee-jerk, "Oh, sure."

Then Mr. Knowles, like so many others, paused to qualify. Travel is so much easier, he said, and the state's population has grown so much that Alaska does not seem as remote as it once did.

Still, the governor contended, the state retains abundant wilderness, and "is also the frontier in the symbolic sense, in the way that frontiers are made of opportunity and hope, and people look to Alaska in that regard."

As Susan Fison, an Anchorage statistician, described the feel of Alaska: "It's not all set and pat and cast in concrete. You can make a real difference here."

Mr. Haycox agreed that the state remained a frontier only in the extra edge it offered, the dynamic sense of added opportunity that its newness and the sparseness of its population offered, the sense that if a person wanted to do something all he had to do was get up and do it.

Drive-through espresso stands that dot highways are just one sign that modern conveniences and tastes have found their way into Alaska's wilderness. Half the population of more than 600,000 now lives in metropolitan Anchorage.

Otherwise, he said, he likes to joke that if you subtract all the Alaskans living in cities and large towns, and also subtract the 85,000 Alaskan natives who do spend time out in the bush, "you come up with about 250 people actually hewing their own wood and building cabins."

And "the three-fourths of the population which do live in urban areas work in steel-framed, glass-fronted buildings with indoor-outdoor carpet," he said, "and drive home over asphalt streets to platted subdivisions with unruly grass and unruly children just like people everywhere else in the country."

OF COURSE, that is the view from Anchorage. In more remote spots, residents who were asked whether Alaska remained a frontier tended to speak not of abstract spirit but of concrete geography, as in, "Well, it is here."

On the Aleutian island of Unalaska, Mayor Frank Kelty noted that the rough Bering Sea fishing life had long attracted people escaping from unsavory pasts "outside" to a place where all that mattered was whether a person could do the work.

Mr. Kelty recalled one mysterious man who paced the shore for months, undisturbed by local residents, until he finally disappeared: people assumed he had finally caught his submarine, the mayor said.

And in Barrow, the northernmost town in the United States, the owner of a Mexican restaurant, Fran Tate, described the logistical problems involved in transporting lettuce and tomatoes for her "tacos on the tundra" when the temperature was 20 degrees below zero Fahrenheit (minus 28 degrees centigrade).

"It takes a different breed of cat to survive," Ms. Tate said. "You can't be a sissy up here. You can't even get a quarter-inch screw when you want it. You have to ride to Fairbanks to get it." Fairbanks is 540 miles (875 kilometers) to the southeast.

On a plane near Gates of the Arctic National Park, Tom Stout, a helicopter pilot who has explored some of the farthest corners of the state, noted the continued prevalence of out-in-the-field occupations like oil drilling and bush piloting that gave workers a sense of being at nature's mercy.

But the main difference between today and the old frontier, Mr. Stout said, is that technology has reached the point that "if you've got enough money, you can conquer any point anywhere."

Even in Anchorage, residents said, moose often wander into backyards, salmon cram the streams and residents never forget that it is only a few minutes from downtown to great stretches of unpeopled territory.

"People say, 'The good thing about Anchorage is that it's so close to Alaska,'" said Ms. Fison. "The reason we can be called a frontier is that so much of the land is really in its natural state. We're surrounded by all this land that has never and will not be developed."

As for the land that can be developed, she said, the business horizons seem so open despite the state economy's slow growth rate that a friend who hopes to develop Alaska's first outlet mall calls it "the last retailing frontier."

Also frontier-like, residents noted, is Alaska's lingering attraction among the adventurous young, and its lack of appeal among the old. The state's median age is almost 31, compared with nearly 35 nationally.

The population's mobility is also striking. More than half of Anchorage's residents have lived there less than 10 years. And the state's population is growing. In 1995, the last year for which census figures are available, the population was 603,617, an increase of 9.7 percent over the 1990 figure of 550,043, and nearly double the 1970 population of 302,583.

Many Alaskans also mentioned the powerful every-man-for-himself spirit that still pervades the state's economics. Alaska has no income tax or sales tax and generally keeps taxes so low that it is far and away the nation's least taxed state. A great many people come to Alaska simply to make a pile of money and leave, said Mr. Stout, the pilot.

For all that, Alaskans who have been here more than a decade or so, those veteran enough to recall the days when they saw television shows two weeks after they were broadcast in the lower 48 and when tapes of national news were flown in and broadcast a night late, have a hard time buying into the frontier line.

Even young residents like Jeremiah Odom, the 19-year-old counterman at the Pit Stop Espresso booth on the lonely highway between Anchorage and Palmer, do not feel any of the deprivations that once characterized distant frontier life.

True, Mr. Odom spent part of his childhood in a cabin in the bush (the family left because his mother tired of life without appliances), and must lug in several tanks of water every evening to make the coffee for lack of running water.

But he has his cell phone to keep him company and a menu of espresso shots, syrup flavors and designer coffees to equal any in Seattle. "I feel like we're modernized here just like anywhere else," Mr. Odom said, "though if you want to feel the last frontier, you can just grasp it in the bush."

In this Saturday's

MONEY

Where Have All The Tigers Gone?

A look at the problems of the Asian Tiger economies plus four new Tigers for the millennium.

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST
THE WORLD'S DAILY NEWSPAPER

This way to

THE INTERMARKET

Don't miss it. A lot happens there.

TRAVEL UPDATE

Portuguese Pilots Turn Up the Heat

LISBON (Reuters) — TAP Air-Portugal canceled three international flights Thursday — to Barcelona, Brussels and Madrid — as a war of nerves with pilots over working hours intensified.

With the Portuguese state airline preparing for its busiest weekend of the year, a warning by pilots that they could demand special medical tests before flying threatened to plunge the company into chaos. About 170 union members — nearly half of the 430 pilots employed by the company — have agreed to demand the tests.

TAP has asked the country's civil aviation authority to decree an emergency increase in flying hours to cover the peak summer period, but the pilots' union has warned that the company's actions were putting the safety of passengers at risk because of the extra strain on crews.

Japan Hopes to Double Tourism

TOKYO (AFP) — Japan hopes to lure more foreign tourists to the countryside as part of a plan to double the number of visitors by 2005, Transport Ministry officials said Thursday.

In the year ending in March, only 3.8 million foreigners visited Japan while nearly 17 million Japanese traveled abroad. Foreign tourists mainly visit major cities such as Tokyo, Osaka and Kyoto and few venture to rural areas.

Swimming has been banned along a two-kilometer section of the French coast near the southern city of Toulon because of a bacterial pollution of sea water, the search and rescue service in Toulon said. *(AFP)*

German roads are the deadliest in Western Europe for children, with 358 killed and 48,000 injured in road accidents last year, officials in Bonn said. *(AFP)*

Thailand hopes to use its weak currency to win back foreign tourists in a two-year "Amazing Thailand" promotion that could earn the country one trillion baht ($32 billion). *(Reuters)*

The entrance fee to the Great Wall has been standardized for Chinese tourists and foreigners alike at 25 yuan ($3), marking the start of a single-price system for all Chinese monuments, the China Daily reported. *(AFP)*

Despite a doubling in admission fees at many U.S. national parks, to $10 for a carload from $5 last year, 112 million people visited the 374 federal parks, monuments and historic sites during the first six months of 1997 — an increase of 4.7 percent over the same period last year, the National Park Service said. *(AP)*

Volcano Engulfs Old Hawaiian Temple

Agence France-Presse

HILO, Hawaii — Lava from Kilauea volcano has engulfed a 700-year-old temple, believed by some to be the most sacred of ancient Hawaiian temples.

The Waha'ula temple on a remote site along the Puna coast of Hawaii's Big Island had survived eruptions in 1989 and 1990, but was rolled over on Monday, said a Volcanoes National Park ranger, Terry Reveira.

"So much lava flowed over it that it appeared that it was actually sinking," she said.

According to Hawaiian legend, Waha'ula was built by the priest Pa'ao, who came to Hawaii from islands to the south in the 13th century.

Buried under lava is Hawaii's oldest and most treasured *heiau*, where ceremonies and prayers for the chiefs took place. It was also a site of human sacrifices, said Ms. Riveira.

The heiau contained images of the gods and priests' quarters. Most of the carvings and paintings paid homage to the god Pele, the goddess of volcanoes.

"People here are saying that it was unused for so long that Pele decided to cover it up," Ms. Reveira said.

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WEATHER

Forecast for Saturday through Monday as provided by AccuWeather.

Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America Hot and humid across the mid-Atlantic and the Southeast with hazy sunshine. Showers and thunderstorms with some heavy downpours will bring much needed rains from the Midwest over the weekend, then dry and cooler Monday. Blazing sunshine hot and dry in the Southwest

Europe Some showers are likely across Scotland, but most of England and northern France will be pleasant with a good deal of sunshine Saturday through Monday. Sunny and very warm to hot in Spain southern France and Italy. Soaking rains will fall from southern Germany into the Balkans.

Asia Cooler in Tokyo through the weekend with clouds and a shower but Typhoon Winnie may bring flooding rain to Kyushu. Partly sunny and cooler in Beijing, showers and thunderstorms will stretch from near Shanghai inland. Very warm and humid in Seoul with thunderstorms likely

Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	29/84	19/66 s	27/80	18/64 s
Amsterdam	23/73	15/59 pc	24/75	16/61 pc
Ankara	32/71	13/53 r	24/75	11/52 sh
Athens	27/80	21/70 pc	28/82	21/70 pc
Barcelona	28/82	20/68 s	28/82	20/68 pc
Belgrade	30/86	18/61 s	29/84	15/59 pc
Berlin	26/79	16/61 c	26/79	16/61 pc
Brussels	26/79	15/59 pc	26/79	16/61 pc
Budapest	32/89	17/62 pc	27/80	18/61 c
Copenhagen	26/79	16/61 s	25/77	15/59 pc
Costa Del Sol	31/88	18/64 s	29/84	19/66 s
Dublin	22/71	14/57 c	22/71	16/61 c
Edinburgh	23/73	16/61 c	24/75	16/61 c
Florence	33/91	18/64 pc	30/86	17/62 pc
Frankfurt	26/79	14/57 pc	26/79	13/55 s
Geneva	31/88	15/59 pc	29/84	14/57 pc
Helsinki	16/61	7/44 pc	16/61	8/46 pc
Istanbul	24/75	18/64 r	28/82	18/64 pc
Kiev	23/73	11/52 pc	20/68	9/48 pc
Las Palmas	29/84	23/73 s	28/82	21/70 s
Lisbon	27/80	17/62 s	26/79	17/62 c
London	26/79	16/61 pc	27/80	17/62 s
Madrid	38/100	18/64 s	36/97	17/62 pc
Mallorca	30/86	17/62 s	30/86	17/62 s
Milan	33/91	19/66 pc	32/89	18/64 pc
Moscow	12/53	11/52 r	18/61	9/48 sh
Munich	24/75	13/55 c	24/75	12/53 c
Nice	28/84	22/71 pc	28/84	21/70 pc
Oslo	24/75	14/57 s	25/77	16/61 pc
Paris	27/80	15/59 pc	28/82	16/61 s
Prague	26/78	13/55 sh	25/77	12/53 c
Reykjavik	16/61	12/53 r	16/61	11/52 r
Riga	18/64	9/48 pc	18/64	9/48 pc
Rome	30/86	18/64 pc	29/84	18/64 pc
St. Petersburg	14/57	11/52 r	18/61	9/48 c
Stockholm	18/64	11/52 pc	18/64	12/53 pc
Strasbourg	29/84	16/61 pc	29/84	16/61 s
Tallinn	16/61	9/48 pc	18/61	9/48 pc
Tbilisi	29/84	19/66 sh	32/89	19/66 pc
Venice	29/84	19/66 c	27/80	17/62 pc
Vienna	28/82	16/61 c	28/79	14/57 c
Warsaw	26/79	12/53 pc	22/71	10/50 pc
Zurich	27/80	16/61 pc	27/80	15/59 pc

Middle East

Abu Dhabi	42/107	27/80 s	42/107	27/80 s
Beirut	24/75	18/64 s	25/77	19/66 s
Cairo	34/93	20/68 s	34/93	20/68 pc
Damascus	32/89	12/53 s	33/91	13/55 s
Jerusalem	25/77	12/53 s	28/79	13/55 s
Kuwait	42/107	29/84 s	42/107	27/80 s
Riyadh	42/107	23/73 s	42/107	24/75 s

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	18/64	12/53 c	19/64	11/52 sh
Atlanta	33/91	22/71 pc	33/91	23/73 pc
Boston	24/75	18/64 pc	27/80	20/68 pc
Chicago	30/86	21/70 pc	29/84	19/66 pc
Dallas	35/95	24/75 pc	35/95	24/75 pc
Denver	36/97	14/57 t	30/86	13/55 pc
Detroit	28/82	21/70 t	29/84	14/68 pc
Honolulu	29/84	23/73 sh	31/88	23/73 pc
Houston	36/97	25/75 pc	36/97	24/75 pc
Los Angeles	30/86	16/61 s	30/86	16/61 pc
Miami	34/93	26/79 pc	33/91	26/79 pc
Minneapolis	28/82	16/61 pc	26/77	14/57 pc
Montreal	23/73	17/62 pc	28/82	21/70 pc
Nassau	32/89	23/73 pc	32/89	26/79 pc
New York	27/80	21/70 pc	30/86	22/71 pc
Orlando	34/93	23/73 t	34/93	23/73 pc
Phoenix	41/106	29/84 s	38/100	26/79 s
San Fran.	23/73	14/57 s	23/73	14/57 pc
Seattle	27/80	13/55 s	26/79	13/55 pc
Toronto	29/84	18/64 t	29/84	18/64 pc
Vancouver	23/73	11/52 s	21/70	11/52 r
Washington	30/86	23/73 t	33/91	23/73 pc

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	36/97	18/64 s	38/100	22/71 s
Bali	29/84	19/66 pc	29/84	20/68 pc
Bangkok	32/89	24/75 r	31/88	23/73 r
Beijing	32/89	24/75 c	32/89	24/75 c
Bombay	28/82	24/75 r	29/84	24/75 r
Calcutta	32/89	25/77 r	31/88	24/75 sh
Chiang Mai	31/88	22/71 r	31/88	23/73 sh
Colombo	28/82	24/75 pc	28/82	23/73 c
Hanoi	33/91	26/79 t	31/88	25/77 r
Ho Chi Minh	32/89	23/73 c	31/88	23/73 r
Hong Kong	30/86	25/77 c	30/86	24/75 pc
Islamabad	37/99	25/77 s	38/100	26/82 s
Jakarta	31/88	22/71 s	29/84	22/71 pc
Karachi	32/89	25/77 s	32/89	27/80 s
K. Lumpur	31/88	22/71 c	31/88	23/71 c
K. Kinabalu	31/88	22/71 pc	29/84	22/71 c
Manila	30/86	23/73 sh	30/86	23/73 sh
New Delhi	34/93	25/77 pc	35/95	25/77 pc
Phnom Penh	32/89	23/73 r	31/88	23/73 r
Phuket	32/89	24/75 r	31/88	23/73 r
Rangoon	29/84	23/73 r	28/82	23/73 r
Seoul	31/88	19/66 pc	29/84	19/66 s
Shanghai	32/89	26/79 r	32/89	24/75 c
Singapore	30/86	21/70 pc	29/84	21/70 pc
Taipei	33/91	25/77 pc	32/89	24/75 pc
Tokyo	26/79	20/68 c	25/77	19/66 pc
Vientiane	29/84	22/71 r	28/82	24/75 r

Africa

Algiers	32/89	17/62 s	31/88	17/62 s
Cape Town	21/70	8/46 s	21/70	9/48 s
Casablanca	27/80	19/66 s	26/79	18/64 s
Harare	22/71	9/48 s	23/73	10/50 s
Lagos	28/82	23/73 pc	27/80	22/71 sh
Nairobi	23/73	9/48 c	24/75	9/48 pc
Tunis	31/88	17/62 s	33/91	19/66 s

Latin America

Buenos Aires	18/61	7/44 sh	14/57	9/48 c
Caracas	27/80	19/66 pc	26/79	20/68 sh
Lima	21/70	16/61 s	18/66	16/61 pc
Mexico City	27/80	13/55 pc	25/77	13/55 pc
Rio de Janeiro	25/77	16/61 s	24/75	19/66 s
Santiago	12/53	9/48 r	11/52	3/39 r

Oceania

Auckland	13/53	7/44 pc	12/53	8/46 sh
Sydney	18/64	9/48 s	21/70	12/53 s

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries sn-snow Hce W-Weather **All maps, forecasts and data provided by AccuWeather, Inc. © 1997**

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Ontario Shut- Many Nuclear Plants After Critical Report

Free-Lancers Case on Eli... Use of Their ...

Accused Soldier

THE AMERICAS

Ontario Shuts Many Nuclear Plants After Critical Report

By Howard Schneider
Washington Post Service

TORONTO — The largest electric utility in North America is shutting down a third of its nuclear reactors after an internal study documented widespread management problems, years of inadequate maintenance and safety practices that were only marginally acceptable.

Allan Kupcis, president and chief executive officer of Ontario Hydro, resigned on the eve of the public release of the highly critical study conducted by a team of U.S. nuclear-power experts.

The study concludes that while public safety was never directly threatened, operators of Ontario's 19 nuclear reactors routinely ignored maintenance schedules and pushed the operating capacity of the plants to their limits without regard for leaky tubes and valves and other deteriorating conditions.

A release of water contaminated with heavy metals into Lake Ontario was discovered at one Ontario Hydro plant in the early 1980s, but provincial environmental authorities were never notified.

An earlier investigation found management so lax that it said employees were sleeping on the job or playing video games on control-room computers.

In response to the report's findings, seven of Ontario Hydro's 19 reactors will be "laid up" over the next year and will be brought back on-line only after an estimated $1.2 billion is spent on repairs.

The Ontario government is studying whether to eliminate Ontario Hydro's monopoly and open the province's large electricity industry to competition. If it does, the utility may find, as have several of its U.S. counterparts, that the cost of repairing aging nuclear plants is too high to keep them competitive.

Until that decision is made, Ontario Hydro plans to increase power production at existing coal and other stations and reopen some retired facilities, a step that environmentalists say will add to Canada's already high level of emissions of so-called greenhouse gases. But Hydro officials say there is no alternative in a province that relies on nuclear power for 60 percent of its electricity and is about to lose a substantial amount of its nuclear generating capacity.

"The people of Ontario probably thought our nuclear industry was better than we now know it is," said the Ontario Hydro chairman, William Farlinger, who was appointed interim CEO after Mr. Kupcis resigned Tuesday night.

"The nuclear unit was operated as though there was some special nuclear cult" of technicians and engineers who alone understood how to run the nuclear facilities, he said.

Many of them helped build, in the 1960s and 1970s, what was then considered a state-of-the-art nuclear-power system in Ontario based on Canadian-developed Candu reactors. But the engineers and builders proved to be inept managers and ignored basic operating principles for years.

Many senior executives have been replaced over the past year, and Mr. Farlinger said more people were likely to be fired.

Free-Lancers Lose Case on Electronic Use of Their Work

The Associated Press

NEW YORK — Publishers may reproduce articles by free-lance writers in electronic data bases and on CD-ROMS without their permission, a U.S. judge has ruled.

It is not the fault of publishers that technology had provided them an unexpected way to make money in a manner unforeseen by Congress, U.S. District Judge Sonia Sotomayer said Wednesday.

The ruling came in a lawsuit brought by six free-lance writers against The New York Times Co., Newsday Inc., Time Inc., The Atlantic Monthly Co., Mead Data Central Corp. and University Microfilms Inc.

Jonathan Tasini, president of the National Writer's Union and the lead plaintiff, said the writers were studying grounds for appeal.

"The fight for a fair share continues," he said. "When multimillion-dollar media companies make a dollar from the sweat of their contributors' brows, those creators deserve to share in the profits."

POLITICAL NOTES

Ruth Fremson/The Associated Press

IN THE HOT SEAT — Samuel Hanoura, a one-year-old with asthma, with Mr. and Mrs. Clinton as the president ordered drug-makers to test whether the medicines they sell to adults are safe for children.

Clinton Sets Rules on Religion

WASHINGTON — President Bill Clinton issued new executive guidelines Thursday that are intended to protect religious expression in the federal workplace — as long as it does not diminish job efficiency or appear to be government endorsement of a particular faith.

The guidelines do not break new legal ground, but they lay out a virtual how-to handbook for federal workers to navigate a highly controversial area of constitutional law.

They clarify that federal workers are allowed to wear religious medallions over their clothes, conduct lunchtime prayer sessions in unused conference rooms, distribute proselytizing brochures to colleagues and keep the Bible or Koran on their desks to be read during breaks, according to the near-final draft.

Among other things, the guidelines make clear that agencies must adjust work schedules to accommodate an employee's religious holidays, as long it will not "impose an undue burden on the agency," and allow employees to wear religious garb, as long as it "does not unduly interfere with the functioning of the workplace." *(WP)*

Talks on Altering Tobacco Deal

WASHINGTON — Representatives of cigarette companies and state attorneys general have met in Washington in an effort to renegotiate parts of the $368.5 billion tobacco settlement proposal and pre-empt further criticism of the plan by a special White House task force.

Since June, when state officials and tobacco companies agreed on the proposal, critics have argued that the plan undercuts the power of federal officials to regulate nicotine and fails to sufficiently penalize cigarette companies if they fail to cut smoking by young people.

A special White House task force appointed by Mr. Clinton to examine the proposal has echoed those criticisms and is still examining the plan for other shortcomings.

But tobacco company officials and the plan's backers have been waging a quiet counteroffensive to keep the settlement on track. The meeting Wednesday was part of that process. Industry officials appear to be against changes that would significantly increase the plan's overall cost or force individual companies to pay fines. *(NYT)*

Federal Housing Jobs to be Cut

WASHINGTON — Housing and Urban Development Secretary Andrew Cuomo and the American Federation of Government Employees have agreed on a major reorganization of the department that will entail the consolidation of operations and a loss of more than 27 percent of the department's jobs.

The parties agreed, among other things, to allow the final implementation of the previously announced staff reductions to be delayed by two years until 2002. *(WP)*

Quote / Unquote

Kathleen Willey, a former White House employee, in a motion to a federal judge to quash an effort by attorneys for Paula Jones to question her in Ms. Jones's sexual harassment suit against Mr. Clinton: "The initiation of a lawsuit does not grant the plaintiff an unfettered right to rummage unchecked through the private affairs of anyone they choose." *(AP)*

'Big' Subpoenas Enrage Targets of Finance Probe

By Katharine Q. Seelye
New York Times Service

WASHINGTON — Many of the nonprofit advocacy groups subpoenaed by the Senate committee investigating campaign finance, among them some of Washington's most influential lobbies on the left and the right, are angry at the scope of the demand for documents, contending invasion of privacy and suggesting that they may not fully comply.

The documents sought by the Senate committee include confidential strategy memorandums, correspondence with candidates and all material related to publicly debated issues.

Among the 26 organizations subpoenaed are, on the right, the Christian Coalition, the National Right to Life Committee, the Heritage Foundation and the Better America Foundation, created in 1993 by Bob Dole, last year's Republican presidential nominee, and disbanded in 1995. Groups on the left include the National Education Association, the Sierra Club, the American Trial Lawyers Association and Emily's List, advocates for abortion rights.

One staff investigator called the subpoenas a "fishing expedition," saying that neither the Democrats nor the Republicans on the committee were sure what they were looking for. Rather, he said, each side is simply hoping to find new abuses that it can exploit to embarrass the other when the public hearings resume in September.

But other Senate aides suggested that the subpoenas were justified by news reports that they said had included accusations about each of the groups.

Lawyers for several of the groups called the subpoenas politically motivated "search missions" that transcended the committee's scope and violated the organizations' constitutional rights. The AFL-CIO, for example, told the committee in a letter this week that Congress did not have "a license to rummage through all of the papers of individuals or their associations."

One legal question is whether any of the groups coordinated their activities with the political parties. If so, they are subject to federal election laws and would be required to disclose who gave them money and how they spent it, disclosures that many of the groups have refused to make. Another question is whether any of the tax-exempt groups violated that status by advocating for specific candidates or for the parties.

The subpoenas demand that most of the documents be delivered to the committee by Aug. 25. But in its letter, the AFL-CIO said that it would formally object to "many of the demands of the subpoena on the grounds that the demands exceed the scope of the committee's mandate" and violate not only the First Amendment, which protects free speech, but also the Fourth, which bars unreasonable search and seizure.

Arthur Spitzer, legal director for the ACLU in Washington, said the information sought included "internal memos about what positions they should take on issues, how to write their public statements, private communications with other people in sympathetic groups about how they can work together and internal budget decisions on how to allocate their resources."

"Giving this information to the Congress," Mr. Spitzer said, "is virtually the same as giving it to your enemies. Many of the groups are very concerned. And Congress is not going to get everything they've asked for in these subpoenas without a fuss."

The subpoenas "are very big," he said, "but it's also August, and everyone is on vacation."

Accused Soldier Plays Some Hardball

New York Times Service

WASHINGTON — The highest-ranking enlisted soldier in the U.S. Army has threatened through his lawyers that if he is put on trial on sexual misconduct charges, his defense team will show that top-ranking officers within the army were not prosecuted for the same crimes.

"We will open up all of the army's dirty laundry if this case goes to trial," said Charles Gittins, the civilian defense lawyer for the soldier, Gene McKinney, the sergeant major of the army. "If we go to trial, this is war," the lawyer said at a preliminary hearing. "How can the army say they are going to take these kinds of actions against the sergeant major of the army when they have a history of not doing so with officers — white officers, senior officers?"

Mr. McKinney, who has been accused by six women of sexual misconduct and suspended from his duties, has proclaimed his innocence, insisting that he has been prosecuted by the army because of his race.

He is the first black man to rise to the rank of sergeant major of the army, a position in which he was responsible for the welfare of the army's 410,000 enlisted troops and which gave him access to the disposition of cases that his lawyers threatened Wednesday to expose.

The defense threat, made during a break in a preliminary hearing to determine whether there was enough evidence to put Mr. McKinney on trial, appeared to be an effort to pressure the Pentagon to forgo a court-martial and grant his request to retire with full benefits.

Mr. Gittins said at a news conference after the hearing that the defense would be able to show that Mr. McKinney was the victim of discriminatory prosecution because several high-ranking white army officers "got no punishment at all for the same types of misconduct."

Mr. Gittins said that the accusations against the officers included sexual harassment and adultery and were made against more than three senior army officers, whom he did not identify. Mr. McKinney is accused of assault, maltreatment of subordinates, adultery, making threats and obstruction of justice. If convicted of all of the charges, he could face up to 56 years in a military prison.

New Dietary Guidelines Seen as Major Overhaul

U.S. Panel Boosts Calcium Recommendations

By Sally Squires
Washington Post Service

WASHINGTON — The National Academy of Sciences is urging that many children and older women get more calcium in their diet to protect their bones, part of the first step in a major overhaul of the well-known "recommended dietary allowances."

Under new guidelines, the allowances, or RDAs, will be used to promote optimal health by combating chronic ailments such as heart disease, osteoporosis and cancer. Since being introduced in 1941, the RDAs have been designed largely to prevent illnesses caused by nutritional deficiencies, such as scurvy, beriberi and rickets, once common but now rare in industrial countries.

The change represents "a major leap forward in nutrition science," said Vernon Young, professor of nutritional biochemistry at the Massachusetts Institute of Technology and chair of the 30-member committee that wrote the new RDA report for the Institute of Medicine, an arm of the academy.

The RDAs are being updated, expanded and reshaped to include new categories and to reflect compelling evidence for use of some nutrients and the limited knowledge base for others. The project, the first revision of the RDAs since 1989, is so large that it is being done in seven stages and will not be completed until 2000. In the first round issued Wednesday, new recommendations were for the five bone-building nutrients — calcium, vitamin D, phosphorus, magnesium and fluoride.

Prompted by the fad for megadoses of vitamins and minerals, sometimes with serious consequences, the committee set upper limits for the first time for certain nutrients, such as vitamin D.

"This is the first time that we have recognized publicly that nutrients can be unsafe at too high levels," said Sanford A. Miller, former director of Food and Drug Administration's Center for Food Safety and Applied Nutrition and a member of the committee.

Because of changing demographics, the new recommendations include two new age categories, those 51 to 70 years old and people 70 and older.

In another first, the latest RDAs are a joint U.S.-Canadian effort. "If we can work with our Canadian colleagues so that we all agree on these nutrient needs, it makes it much easier under NAFTA," Mr. Miller said, referring to the North American Free Trade Agreement. "Now if you're going to sell in Canada and in the United States, you have to have different kinds of labels. This is an attempt to get us together."

But in overhauling the RDAs, some critics say, the committee added layers of unnecessary complexity. The new RDAs technically are part of a broader category called Dietary Reference Intakes (DRIs), which also includes such terms as Adequate Intake (AI), Estimated Average Requirements (EAR) and Tolerable Upper Intake Level (UL).

Calcium is one of the nutrients given an Adequate Intake level rather than an RDA because "sufficient scientific evidence is not available to estimate an average requirement." The AI calls for a daily calcium intake of 1,300 milligrams — about the amount in a quart of skim milk — beginning at age 9. The 1989 RDAs set the intake for this age group at 800 milligrams. Recommendations for calcium intake also were increased for adults 51 years old and up. In these age groups, the committee urged that levels reach 1,200 milligrams daily, 400 milligrams more than had been recommended in 1989.

Away From Politics

• **An Arizona canyon renowned** for its narrow, twisting limestone walls became a trap for 12 hikers when a flash flood filled it with a wall of water 11 feet (3.5 meters) high. The guide for several of the hikers survived. *(NYT)*

• **The average score on the ACT entrance examination** for college rose to 21 out of a possible 36 for incoming college freshmen this year, up from 20.9 in 1996. It was the fourth year in five that scores inched upward. Scores were 20.6 in 1990. *(AP)*

• **Federal prisoners can purchase Playboy and Penthouse** magazines again, a federal judge ruled, saying that an attempt by Congress to ban sexually explicit publications from prisons violated the First Amendment rights of inmates and the publishers of the magazines. *(WP)*

• **A New York City police officer has been charged with assaulting** and brutalizing a Haitian immigrant in a Brooklyn station house toilet after arresting him in a street scuffle, and Mayor Rudolph Giuliani said that other officers might also be arrested. The victim of the alleged assault was hospitalized. *(NYT)*

Romania Investment Summit

Athenée Palace Bucharest Hilton, October 29-30, 1997

Romania is increasingly attracting the attention of the international investment community. To assess future investment potential and to highlight the reforms Romania is putting in place in a bid to position itself as one of the more exciting investment opportunities in the world, the International Herald Tribune will convene a major investment summit in Bucharest on October 29-30, 1997.

President Emil Constantinescu will give the opening keynote address of the Romania Investment Summit. He will also host a special dinner for speakers, delegates and guests on the evening of October 29 at Cotrocení Palace.

The fact that President Constantinescu has agreed to support this summit as an integral part of the Romanian government's efforts to attract foreign investment is a measure of the importance of the summit.

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Sihanouk Denies Giving Blessing to New Leaders

King Appears to Back Ranariddh Claim

Compiled by Our Staff From Dispatches

BEIJING — King Norodom Sihanouk denied Thursday that he had given his blessing to Phnom Penh's new government during a meeting in Beijing with Ung Huot, the new first prime minister.

"I never gave him the title of first prime minister that, in full legality, still belongs to you," King Sihanouk wrote to his son, Prince Norodom Ranariddh, who was toppled by Second Prime Minister Hun Sen last month.

"I made this clear to His Excellency Ung Huot himself," the king said, adding, "His Excellency Ung Huot replied that he understood."

The letter was released in Beijing as Mr. Ung Huot said in Phnom Penh that the king, the formal head of state, had approved the new government Tuesday.

"During the audience and the lunch on August 12, 1997," the king wrote, "I never gave my 'blessing' to these Cambodian 'guests.' At the above-mentioned lunch, I only raised my glass, saying to them, 'To your health.' This conformed to our tradition."

Mr. Hun Sen and Mr. Ung Huot returned Thursday to Phnom Penh, hailing their Beijing trip as "very, very successful."

"The king gave us his blessing," Mr. Ung Huot said, adding, "He was happy to learn that we will cooperate together for peace and stability."

The visitors said the fact that the king had received them and toasted them during an official lunch constituted de facto recognition of the Hun Sen government.

The king also said Thursday that he would return to Cambodia by the end of the month to attend a Buddhist ceremony.

"My departure for Siem Reap-Angkor will occur before the end of August 1997," the king wrote in the margins of a news article about his meeting with Mr. Hun Sen and Mr. Ung Huot. Sihanouk often conveys his opinions by distributing copies of his handwritten comments about news articles.

The king, who left Cambodia in late February for medical care in Beijing, plans to fly to Siem Reap for the ceremony and to inaugurate humanitarian projects paid for with funds from the royal budget. *(Reuters, AFP)*

■ **Hun Sen Orders an Assault**

Mr. Hun Sen on Thursday ordered his army to take the last remaining stronghold of Prince Ranariddh, Agence France-Presse reported from Phnom Penh.

"I have given orders to General Ke Kim Yan to take O Smach tomorrow and end Prince Ranariddh's forces for me," Mr. Hun Sen said upon his return from Beijing.

Deputy Chief of Staff General Meas Sophea said troops loyal to Mr. Hun Sen had closed to within five kilometers (three miles) of O Smach, a hamlet on Cambodia's far northern border with Thailand. "We have captured six tanks and an armored personnel carrier since the fighting began last week," he said.

Cambodian Plans an Airline

Agence France-Presse

PHNOM PENH — A prominent Cambodian businessman who once shot out a tire on a Boeing 737 in Phnom Penh because the service displeased him plans to start his own carrier, a report said Thursday.

Theng Bunma plans to take advantage of Second Prime Minister Hun Sen's new "open skies" policy established after First Prime Minister Prince Norodom Ranariddh was deposed last month, the Cambodia Daily said.

The airline, to be named Apsara in honor of traditional Cambodian dancers, is being planned by Mr. Bunma, the president of the Phnom Penh Chamber of Commerce, and a cousin of his who has business interests in the United States, the paper said, citing a civil aviation official.

Keo Sophal, director general of the civil aviation authority, said the plans for the airline were still preliminary and that no license had yet been granted.

Mr. Bunma admitted in April to having shot out a front tire of a Royal Air Cambodge Boeing 737 in Phnom Penh because of what he called poor service. Late last month, witnesses said, he briefly displayed a handgun to staff on an Orient Thai Airlines L-1011 after demanding that the carrier delay its Phnom Penh-Bangkok flight for some friends who had not yet arrived.

Agustinus Wereswong/Reuters

Soldiers loyal to Prince Norodom Ranariddh retreating Thursday from the northwestern border community of O Smach with their possessions and families as the forces of Hun Sen began to close in on the town.

BRIEFLY

Seoul Ships Food to the North

SEOUL — South Korea on Thursday began shipping 50,000 tons of food for starving North Koreans under an agreement reached in July, Red Cross officials said.

A ship carrying 2,000 tons of flour, 4 tons of powered milk and 70,200 gallons of cooking oil left Inchon. Other shipments will follow by ship and by railroad via China to complete delivery of the 50,000 tons of food, mostly corn, by the end of September.

Officials of the International Committee of the Red Cross are to distribute the food to children and other North Koreans who are suffering near-famine food shortages, the agency said. *(AP)*

Taiwan Police Chief Resigns

TAIPEI — Taiwan's police chief resigned Thursday after three most-wanted suspects were accused of committing another kidnapping despite an islandwide hunt for them.

Yao Kao-chiao said he would step down to take responsibility for failing to arrest the suspects. The police said the three men, wanted for the April kidnapping and murder of the teen-age daughter of a popular entertainer, kidnapped a businessman last week and freed him after obtaining a $140,000 ransom.

The April case, coming on top of two other high-profile unsolved murders, provoked a public outcry and forced Interior Minister Lin Feng-cheng to step down. Prime Minister Lien Chan did not say immediately whether he would approve the resignation. Mr. Lien and his cabinet are due to resign Aug. 21 as part of a shake-up, a government spokesman announced Thursday. *(AP, AFP)*

Night Flights to Guam Halted

SEOUL — Korean Air announced Thursday that it will suspend night flights to Guam until the cause of the crash that killed 226 people aboard Flight 801 last week is determined.

Dozens of workers are still picking through the mangled fuselage of the Korean Air jetliner in Guam for remains of victims. Workers said that they had probably recovered about 200 of the 226 people, but that only 58 bodies have been identified. *(AP)*

Tung Will Visit Washington

HONG KONG — The chief executive of Hong Kong, Tung Chee-hwa, will make his first trip to Washington next month as part of a series of foreign visits aimed at showing confidence in the territory after its handover to China, the government announced Thursday.

Mr. Tung is to visit the United States from Sept. 9 to 11, and will then move on to Washington and New York. He is to attend the opening ceremony of the new Hong Kong Economic and Trade Office in Washington. *(AFP)*

Thais Confer With Military About Cuts to Heal Economy

Agence France-Presse

BANGKOK — The governor of the Bank of Thailand, Chaiyawat Wibulswasdi, met with military leaders Thursday amid speculation that the defense budget would take the brunt of cuts planned under a rescue plan of the International Monetary Fund.

The meeting followed heightened public criticism of the government's economic management, and rumors — repeatedly denied by army and political figures — that the military might attempt a coup.

The supreme commander of the armed forces, General Mongkon Amporpisit, said after the meeting that Mr. Chaiyawat had said the economic plight was a consequence of the country's pattern of spending beyond its means.

"We will have to find new sources of income to exceed our expenses and spend less than before," the general said.

Finance Minister Thanong Bidaya has said the country's foreign currency debt amounts to $89 billion, of which $73 billion involves private sector loans.

The cabinet will meet next week to consider cuts of 50 billion to 75 billion baht ($1.6 billion to $2.4 billion) in the budget to Sept. 30, 1998, in line with austerity terms accompanying a $16 billion IMF assistance package.

Defense spending was said to be a major target because the International Monetary Fund recommended that big allocations for education, social welfare and infrastructure development should be left untouched.

Thailand signed a letter of intent on Wednesday, and the package was expected to be approved next week by the IMF board in Washington.

Mr. Chaiyawat, the bank governor, said the military leaders had asked about the troubling economic data. He added that they understood that everyone had to cooperate to solve the troubles.

General Monkgon called on the Thai people to build savings and reduce dependence on foreign capital. "If everyone — officers, civilians and businessmen — joins together to economize, everything will improve," he said.

Finance Minister Thanong and the bank governor took questions from the public over the telephone during a 90-minute broadcast late Thursday.

Pakistan Offers Peace With India

Compiled by Our Staff From Dispatches

ISLAMABAD — Pakistan marked its 50th anniversary Thursday by calling for peace with India.

Tens of thousands of people jammed streets in major cities in an outburst of golden jubilee celebrating.

In a flag-raising ceremony in the capital, Prime Minister Nawaz Sharif said Pakistan had initiated dialogue with India because of what he called a growing realization on both sides that the 50-year-old Kashmir dispute should be resolved.

"The Kashmir problem was masterminded by vested interests to keep people of this region backward," Mr. Sharif said in an address to the National Assembly.

Urging India to dismantle the main obstacle to bilateral ties and regional peace by resolving the issue, he said the dispute had triggered an arms race in South Asia.

"I hope that India would also respond with the same sincerity by withdrawing its forces from occupied Kashmir and putting an end to atrocities there and hence pave the way for establishment of lasting peace in the region," he said.

But he also said Islamabad would continue to back rebels in the Indian-controlled part of Kashmir.

"Pakistan will continue to provide moral support to them," he said. "Our independence will be complete on the day all our Kashmiri brethren join us in celebrating independence."

Pakistan, which holds one-third of the Himalayan region, denies Indian accusations that it arms, trains and finances the guerrillas in mainly Muslim Kashmir, whose insurgency has cost an estimated 20,000 lives since it erupted in 1990.

Mr. Sharif called on the Pakistani people to help build their country into another "Asian tiger," a reference to the economies of Malaysia and Singapore he hopes to emulate.

He noted that some believe the country's 140 million people have little to celebrate. Religious and political clashes have left almost 400 dead since the start of the year. *(AFP, AP, Reuters)*

Saeed Khan/Agence France-Presse

Prime Minister Sharif hoisting the flag Thursday in Islamabad to celebrate a half century of independence.

Remembering for the future

It is as difficult to explain the terrors of wartime to people who have known only peace as it is for an ailing patient to explain his pain to a person who has never been sick. But they must be made to see how horrible it is so that they can exert their best efforts to prevent its recurrence.
—from *Peace Is Our Duty*

With each passing anniversary of the end of World War II, more people forget.

If one thing is proven by experience, it is this: Those who don't know history are apt to repeat it. Only if we remember the lessons of the past—raw and painful as they may be—can we secure a peaceful future for humanity.

The Antiwar Publication Committee, a group of volunteer members of the Soka Gakkai in Japan, began in 1974 recording the experiences of war survivors. As of 1991, over 100 volumes of these experiences had been published in a series called "To the Generations Who Do Not Know War."

Since 1985 student members of the Soka Gakkai have conducted surveys among their college peers to assess the prevailing consciousness and attitudes towards issues of war and peace. According to the most recent survey of Japanese and American college students, only 20.6% Japanese and 53.8% American students believe that a world without war can be achieved. Among the other findings:

- Of the Japanese college students polled in 1994, 24.4% said that they had heard wartime experiences from their parents. In 1997, the number dropped to 16.5%.
- In 1997, 43.9% of the American students and only 5.1% of the Japanese students said that they had participated in organized peace activities.
- More than 60% of Japanese students agreed with the United Nations Commission on Human Rights recommendation that the Japanese government provide individual compensation to wartime "comfort women." Approximately18% agreed with the Japanese government assertion that it has no such obligation.

The voices of the young are the voices of the future. Give voice to the past by voicing its truths.

For more information, please contact the Office of Public Relations, Soka Gakkai International. The **Soka Gakkai International (SGI)** supports grass-roots peace, educational and cultural activities based on the long-standing principle of Buddhist humanism

The Peace Education Project
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Tokyo 160, Japan

Visit **The Peace Education Project** on the internet at: www.sgi.org/peace_edu

*In Japan, 3,000 students at 60 universities throughout the country were surveyed by questionnaire. In the U.S., researchers interviewed 300 randomly selected students at 107 universities in 10 geographical areas.

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Khan Agrees To Blood Test to Decide Paternity

Reuters

LONDON — Imran Khan, the Pakistani cricketer-turned-politician whom a U.S. judge ruled to be the father of an illegitimate five-year-old girl, offered Thursday to take a blood test to decide the paternity issue.

He also pledged to abide by the decision of a Pakistani court on the matter.

"Imran Khan is the father of the child," Anthony Jones, a Los Angeles Superior Court commissioner, said Wednesday after hearing evidence from the child's mother, Sita White, the daughter of the late British industrialist Lord Gordon White.

Mr. Khan, defeated in his bid to become prime minister of Pakistan in February, did not appear in the court. In a statement issued through a London publicist he said he wanted to "present my side" of the story in a Pakistani court.

EUROPE

U.S. Contends Russian Lawyers Stole $500,000 in Office Equipment

By Daniel Williams
Washington Post Service

MOSCOW — Two and a half years ago, a team of young Russian lawyers was assembled, provided with millions of dollars in operating funds by the U.S. government and the World Bank, and given the task of helping create a solid foundation of law for Russia's developing market economy.

The group's name, the Institute for a Law-Based Economy, implied a righteous approach that was rare in a country whose nascent democracy and capitalist economy were riddled at all levels with corruption.

But that image was eclipsed this week by an unseemly tug of war between the institute and its American sponsor, the U.S. Agency for International Development.

Embassy officials say the lawyers' group stole U.S.-funded office equipment worth $500,000. The Russians retort that the equipment is being held in "safekeeping" pending talks over its final disposition. The tussle is an outgrowth of a scandal from a broader U.S. aid program — overseen by the Harvard Institute for International Development — that was intended to stimulate economic reform.

The scandal, which came to light in May, led to the ouster from the program of two Harvard University-affiliated advisers amid charges, which the advisers denied, that they used inside information from the Russian government for private gain.

The Institute for a Law-Based Economy had operated within the Harvard-run program and was implicated in the alleged insider dealings, which U.S. officials say broke the rules of both the aid agency and Harvard.

Now, the Agency for International Development officials are trying to repossess computers, desks, telephones, files and books that institute employees removed from the Harvard program office in central Moscow on Friday and transported to their own offices a short distance away.

"It's valuable stuff, and they just decided to take it," a U.S. Embassy official said. "It's not theirs."

The institute's director, Sergei Shishkin, said the equipment was listed on his organization's books and, therefore, belongs to it under Russian law. Nevertheless, he said he was willing to discuss a compromise with the American officials who, he said, were "trying to create an earthquake out of nothing."

"They haven't been able to pin anything on us over the stuff, so now they're trying this," Mr. Shishkin said in an interview. By "stuff," he was alluding to the earlier conflict over insider trading.

Whatever the outcome of the affair, it represents another smudge on Russia's tarnished economic reform credentials. Insider dealings, in particular, have been much in the news recently.

'They haven't been able to pin anything on us over the stuff, so now they're trying this.'

Last month, well-connected Russian tycoons squabbled publicly among themselves and with the government over how to divide the mountains of natural resources still wholly or partially under state control. The conflict highlighted how a few financial barons with government ties can dominate the bidding for such assets.

Such controversies give reform opponents ammunition in their persistent assault on the nation's privatization efforts.

The effect on the public is hard to gauge, although polls show a lack of trust in the professed reform government of President Boris Yeltsin.

In any event, allegations of profiteering aimed at the Harvard advisers seem likely to confirm widespread Russian suspicions that Americans are here to help themselves.

And the removal of the office equipment by the lawyers will almost certainly reinforce a feeling in foreign business circles that Russians rely on strong-arm tactics rather than law in settling disputes.

An inquiry into the Harvard-run program by the U.S. aid agency centers on two Americans — Andrei Shleifer, an economist, and Jonathan Hay, a legal expert. Both went to Harvard.

The Harvard operation closed down here at the end of July, except for a tax-reform project that is to continue until the end of the year.

The Harvard oversight mission was canceled by Finance Minister Anatoli Chubais, who American officials say, was upset that Mr. Hay and Mr. Shleifer had come under fire.

Both had been Chubais associates since the early 1990s.

As for the office equipment, Harvard proposed that it be divided up — some going to the tax project, some to other AID programs in Russia and some to the institute — but it disappeared before any deal could be worked out.

Mr. Shishkin, the institute director, said he had notified AID officials of his group's intentions for the equipment. The agency said it sent him a letter banning its transfer.

Mr. Shishkin said the letter did not reach him until the day after it had been moved. "Anyway, we are pledged to take care of the equipment," he said. "AID is welcome to inventory it, if they like."

Mr. Shishkin said his group and the U.S. agency have been at loggerheads over an American request to audit the institute's books.

He said he agreed to an audit of accounts related to AID matters, but not ones related to other donors or private companies.

The Institute for a Law-Based Economy began as a nonprofit venture and eventually received $8 million in U.S. assistance and $4 million from the World Bank.

The group soon added a profit-making arm called ILBE-Consulting, which AID officials endorsed on the grounds it would give lawyers practical experience in advising clients.

Cologne Faces Reality of Nazi Past

By Alan Cowell
New York Times Service

COLOGNE — Cities, like spies, have their legends, and the one most favored here is the one offered by Konrad Adenauer, Cologne's prewar mayor and the first postwar chancellor of West Germany.

Of all Germany's major cities, Mr. Adenauer said in 1946, none had been so battered by the Allies and "none had deserved it less." Indeed, he complained, "nowhere was Nazism resisted so openly until 1933" — the year Hitler came to power — "and nowhere was there so much spiritual resistance after 1933."

Since June, however, a new permanent exhibit sponsored by the city authorities in the former Gestapo headquarters here has subjected Cologne's history in the Nazi era to unaccustomed scrutiny.

And the outcome, for some, has been the conclusion that Mr. Adenauer's version was one-sided, to say the least.

"He built the legend that the Rhineland is liberal, Catholic and resistant to every dictatorship," said Barbara Kirschbaum, a secretary at the exhibit. "This proves that the legend is not true."

For others who have seen the exhibit, from a look at former Gestapo cells in the basement to a documented history of the city's persecution of Jews, Gypsies and slave laborers, the lessons relate as much to postwar Germany's tangled relationship with its history as to the past itself.

"My mother never spoke to me about this time," said Christine Monheim, who was born in 1941 and grew up with her mother in Cologne after her father was killed on the front lines.

"People were ashamed," she said. "My grandfather, uncles and aunts all lived in this time. And I have to assume they were all supporters of Hitler. So, when the war ended, their support turned to hopelessness, and they didn't want to tell us."

The soul-searching seemed all the more poignant in this city — Germany's fourth largest, with a population of around 1 million — that has taken as its emblems the huge trade-fair buildings on the east bank of the Rhine and the extravagant annual carnival that underpins Cologne's self-image as a place with a liking for irreverence.

But in the exhibit here, along walls that have been stripped bare of all postwar decoration down to their prewar plaster and paint, a contrary view emerges.

The vast halls of the trade fair, it seems, were used by the Nazis to house prisoners of war and slave laborers. In the 1937 carnival parade, one horse-drawn float was filled with Germans made up as bearded caricatures of Jews. A hand-painted banner proclaimed them to be "the last to leave" the city at a time when Jews faced increasing persecution.

"To this day, Cologne thinks of itself as the liberal heart of the Rhineland," said Blanka Balfer, a 33-year-old nurse who was visiting the exhibit for the first time. "Well, that's not true."

Indeed, said Ms. Kirschbaum, the secretary, "the history of this building was suppressed for a long time" while other cities more closely associated with Nazism, notably Munich and Berlin, had little choice but to acknowledge their history.

The widely accepted argument among most people in Cologne was that this city had been far less receptive to Nazism than most others.

Electoral results from 1928 on show that Cologne lagged behind the national average in its support for Hitler. In the March 1933 vote — the last before Hitler took power — the Nazis won 43.9 percent of the national vote, but scored only 31.1 percent of the ballot in Cologne.

Even so, photographs at the exhibit display just how rapturously Hitler was received here during a visit in 1936, when Cologne was described in one contemporary account as resembling "a sea of flags."

In 15 rooms, the exhibit of photographs, newspaper clippings, documents and such artifacts as the prewar radios that carried Nazi propaganda traces the city's history from the founding of a Nazi Party branch here in 1921 to the end of World War II, when Cologne lay in ruins.

The exhibit records the systematic deportation of Cologne's Gypsies and Jews, and the deaths of thousands in concentration camps.

Equally, though, the exhibit records the terror inflicted on civilians in the city by the vast Allied air bombardment, while the resistance to the Nazis is also chronicled.

In some ways, the former Gestapo headquarters itself offers the most staggering testimony to, and symbolism of, the postwar anxiety of some Germans about the country's past.

The five-story building at the Appellhofplatz near the city center emerged unscathed from Allied bombing that wrecked 90 percent of Cologne's buildings. Because it was undamaged, it became a complex of public administration offices.

And in the basement, 10 narrow cells that once housed Gestapo prisoners awaiting interrogation and death — Russian, Polish and French captives from the ranks of slave laborers — became storage rooms for the files of the city bureaucracy. In the process, the racks of files covering the walls physically obscured the last messages scribbled on them by the prisoners.

Only after pressure from left-wing activists in the 1970s were the bureaucrats' files removed. When the cells were opened to the public in 1981, the messages from the Nazi era were still there.

"The hours pass like years," reads one inscription in German from Cell 4. "This room knows only sighs. Laughter yields to grief. The sun no longer shines. When will this torture end?"

Beawiharta/Reuters

Peace Talks in Georgia Begin

Vladislav Ardzinba, left, leader of the breakaway region of Abkhazia, and Eduard Shevardnadze, the president of Georgia, taking a break Thursday in Tbilisi, the Georgian capital, after the opening round of the first direct peace talks since a secessionist conflict began in 1992.

BRIEFLY

Kohl Rules Out Changes Soon

BONN — Chancellor Helmut Kohl was quoted Thursday as saying he saw no need for a cabinet shuffle at this time, but did not rule out the possibility before general elections in September 1998.

"I have no reason to be dissatisfied with my cabinet colleagues," Mr. Kohl told ZDF television in the transcript of an interview released ahead of transmission. "We're talking here about topical political matters and for me at this moment there is no cabinet reshuffle."

Asked whether "at this moment" meant he was ruling out changes for this year and next, Mr. Kohl replied: "There I am still completely open. But I don't want to expound now on what I am going to do before the election."

Finance Minister Theo Waigel on Thursday repeated a call for a cabinet shuffle soon, saying a shake-up would make Mr. Kohl's 17-member cabinet more effective in advance of the elections. *(Reuters)*

Danish Neo-Nazis Set to March

COPENHAGEN — Danish and foreign neo-Nazi groups are to march in a Danish town Saturday to mark the 10th anniversary of the death of Hitler's deputy, Rudolf Hess, and the police fear a bloody clash with leftist counterdemonstrators.

A force of 800 officers will stream into the usually quiet cathedral town of Roskilde, west of Copenhagen, to keep up to 400 neo-Nazis and 1,000 of their opponents apart. Jonni Hansen, head of the Danish National Socialist Movement said he expected 200 to 400 participants.

A 1995 march in the town after the arrest of the American neo-Nazi leader Gary Lauck turned into a rout when neo-Nazis were scattered by a far larger group of leftists. *(Reuters)*

Pensioners Protest in Belgrade

BELGRADE — Thousands of angry pensioners took to the streets of Belgrade on Thursday to protest delays in the payment of their state pensions.

"We have sunk to the lowest possible level. We are fighting for subsistence," Milan Djuric, president of the Serbian Independent Pensioners' Association, told the protesters. "They owe us two-and-half months' pension while forcing us to pay all our bills regularly."

Mr. Djuric said more than 250,000 pensioners could not pay their monthly bills while at least 600,000 could not even afford basic needs. *(Reuters)*

Synagogue Desecrated in Nice

NICE — Thirty-two swastikas, four gallows and Nazi slogans like "Heil Hitler" and "Jews out of Europe" were found scrawled on the walls of a synagogue in Nice on Thursday, the police said.

The symbols and slogans, scrawled overnight in black marker pen, appeared a day after racist slogans were found written on the walls of a local school, they said. The police have opened an investigation, they added.

Another slogan found on the synagogue walls was "white zyklon-B," referring to the gas the Nazis used to murder Jews in concentration camps. *(Reuters)*

Turkish Amnesty Bill Approved

ANKARA — Parliament on Thursday approved an amnesty bill that should free at least a few of the 89 journalists in Turkish prisons.

The bill suspended the sentences of managing editors serving jail terms for publishing articles seen as a threat to the country's national security. But if the editor is convicted of a similar crime within the next three years, the suspended sentence would be added to any new one.

Most of the journalists in jail are reporters who were charged with crimes related to a terror campaign by Kurdish separatists.

At least one editor who became the symbol of jailed journalists in Turkey was expected to benefit from the amnesty. Ocak Isik Yurtcu, who was managing editor of the defunct pro-Kurdish daily Ozgur Gundem, is serving the fourth year of a 16-year sentence for publishing "separatist propaganda." He will be released after President Suleyman Demirel approves the bill and the official gazette publishes it. *(AP)*

BOOKS

CHINA, HONG KONG, TAIWAN, INC.
The Dynamics of a New Empire

By Willem van Kemenade. Translated from Dutch by Diane Webb. 448 pages. $27.50. Alfred A. Knopf.

ASIA'S WEALTH CLUB

By Geoff Hiscock. 312 pages. £16.99. Nicholas Brealey Publishing, London; Allen & Unwin, Australia.

Reviewed by Philip Bowring

THE themes of these two books might seem to have been totally exhausted. Can there really be anything more to be said about about topics that have been in publishing vogue for the last four years, at least?

Perhaps not. But Willem van Kemenade and (less ambitiously) Geoff Hiscock say things uncommonly well and with a dispassion that has become unusual. The former is worth half a shelf of other recent China books, and Hiscock is concise about a subject — Asia's megamillionaires — that is normally dealt with in terms more gushing than accurate.

Both authors are journalists, and both write from the perspective of many years' experience in their subjects and a clear desire to inform rather than to shock, argue or attract the attention of buyers of movie rights.

Van Kemenade's book has two main strengths. It looks at Hong Kong and Taiwan as well as the mainland, and thus at how these three very different Chinese social and political cultures may interact in the future. Second, by leading the reader through the evolution of the three entities, he brings out the complexities of today's situation and the uncertainty — particularly now that Deng Xiaoping is gone — over the future. Contrary to Deng's expectations, cross-straits trade and investment have boomed, along with karaoke bars, and the political gulf has widened while China's sense of restored military might has altered its perceptions of resolving the Taiwan issue.

Van Kemenade mostly lets the facts speak for themselves. In the process he reveals a China that, for all its internal problems, retains a clear sense of its national objectives, even when interests conflict.

On the other hand, the West comes across as cynical or pompous. China's ability to buy the Western business elites with baubles and flattery may be well known in Hong Kong and Beijing but is perhaps less appreciated in the home countries. Europe is cynical. The United States is preachy, vacillating between condemnation and desire to covert China to the American way.

If van Kemenade has committed one major fault, its with the title of the book, which makes it sound like an investment bankers' prospectus extolling the imminent juncture of mainland size, Taiwanese manufacturing prowess and Hong Kong capital and service industries in one giant economic bloc. This is certainly not the conclusion to be drawn from the book as a whole.

And though the author rightly sees Hong Kong's reversion as weakening Taiwan's position, he overstates Taipei's dependence on the mainland, and the business pressures on government for direct links.

Indeed, van Kemenade's grasp of economic issues is less firm than his grasp of politics. In particular he gives inadequate attention to the interlinked questions of private ownership, state enterprise reform and the role of the party. Will the nomenklatura privatize to its own advantage? Or keep the state sector and a centralized banking system as levers of political power?

But contemporary China is so diverse that no book can handle past, present and future in all aspects. Van Kemenade has done a fine job in making the complexities comprehensible to newcomers to the subject, and reminding older hands of the origins of the current issues.

Hiscock has rather more limited objectives. "Asia's Wealth Club" is defined by its subtitle: "Who's Really Who in Business — the top 100 billionaires in Asia." The brief, two- to three-page portraits of leading business figures and their companies range from Japan to India.

The book may be overfocused on Southeast Asian Chinese. But it is a useful primer, even if the information is basic and many of the numbers must be treated as best guesstimates. You will not find here much inquiry as to how some of these men got to be superrich. In a few cases it may be dangerous even to ask such questions, let alone provide the answers. But if Hiscock lacks investigative spirit, he is free of hyperbole. This is the best current reference work on its subject.

International Herald Tribune

BRIDGE

By Alan Truscott

TWO Americans representing the United States in the World Junior Team Championships in Hamilton, Ontario, Canada have the gods of the game smiling on them. Tom Carmichael, 23, of Middletown, New Jersey, and Joel Wooldridge, 18, of Williamsville, New York, were contending for the National Imp Pairs title at the American Contract Bridge League's Summer Nationals in Albuquerque, New Mexico.

Leading with a round remaining were Linda and Robb Gordon of Manhattan. But on the last deal, the Gordons attempted a make-or-break slam that hinged on a finesse. It lost, and they finished fifth instead of first. Carmichael and Wooldridge snatched the title, with Dick Bruno and Kenji Miyakuni of Chicago second.

The deal that proved that the winners had divine favor is shown in the diagram. Most partnerships would gallop into the obvious three no-trump with the North-South cards and make a fortunate 11 tricks, but Carmichael as North had to open one club, since one no-trump would have been weak in the partnership style. After a one-spade overcall and a two-diamond bid by Wooldridge as South, there was a series of misunderstandings.

After finding their club "fit," North was trying for a three no-trump, while his partner was on a cue-bid track. Four diamonds was intended to be diamond support, but taken by South to be Kickback, an artificial request for key cards with clubs as the agreed suit. Five diamonds was meant to be a sign off, but South thought it a request for kings. The six-diamond bid revealed that the wheels had come off, and South passed in some confusion.

Wooldridge won the spade lead, took dummy's diamond winners and crossed to the heart queen. He cashed the diamond king, and was happy when the jack appeared. He then cashed dummy's heart winners, and that suit split favorably, allowing him to throw his spade loser. All that remained was to find West with five clubs including the king and queen, and it was just so: A spade ruff and a low club forced West to win and return the suit, giving Wooldridge the jack and the ace. The winners gained 10 imps en route to the title.

NORTH (D)
♠ J 7 6 5
♡ A K 9 4
◇ A Q
♣ J 4 2

WEST
♠ 10 9
♡ 8 6 3
◇ J 8 3
♣ K Q 10 9 8

EAST
♠ K Q 8 3 2
♡ J 10 5
◇ 7 6 2
♣ 7 6

SOUTH
♠ A 4
♡ Q 7 2
◇ K 10 9 5 4
♣ A 5 3

Neither side was vulnerable. The bidding:

North	East	South	West
1 ♣	1 ♠	2 ◇	Pass
2 ♣	Pass	3 ♣	Pass
3 ♡	Pass	3 ♠	Pass
4 ◇	Pass	4 N.T.	Pass
5 ◇	Pass	5 N.T.	Pass
6 ◇	Pass	Pass	Pass

West led the spade ten.

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Suspicions Cramp Bids To Ease Mideast Crisis

By Neil MacFarquhar
New York Times Service

JERUSALEM — Prodding by the U.S. special envoy, Dennis Ross, persuaded Israel and the Palestinians to take the first delicate steps toward resolving the crisis in their peace deal, a senior U.S. official said Thursday, but the biggest obstacle to further progress is the suspicions that have mushroomed between the two camps of negotiators.

Among tentative steps taken Thursday by Israel was the slight easing of the blockade around two major West Bank population centers, allowing Palestinian residents of Hebron and Ramallah to leave their cities for the first time in the two weeks since two suicide bombers killed 14 people in a Jerusalem market.

The Palestinian leader, Yasser Arafat, called the measures inadequate, saying that the continued refusal by Israel to let tens of thousands of Palestinian workers from Gaza and the West Bank into Israel and the refusal to turn over money owed to the Palestinian Authority indicated that the Israeli government was intent on wrecking the peace agreement.

Meanwhile, in Washington, a spokesman for Secretary of State Madeleine Albright said she would definitely travel to the Middle East soon, but that the date of the trip might slip to September.

The spokesman, James Rubin, said: "The 'when' is linked to the kind of trip she wants to have and the kind of results that we see in the area of security."

Mrs. Albright said Aug. 6 that she was prepared to go to the Middle East at the end of August if the security situation improved there.

Mr. Arafat, responding to the easing of the travel ban Thursday, said: "They are allowing a few people to move from one home to the other, but they are not letting through cement, steel and vegetables. They are not permitting any economic life."

Tax revenues collected by Israel continue accumulating, with at least $40 million collected from Palestinians and owed to the Palestinian Authority now frozen in a Tel Aviv bank account.

"We say, 'Is this government really ready to work with us to preserve the peace process and protect it? Is it really ready to do so?' I am sorry to say the answer is no," Mr. Arafat said in a separate speech Thursday.

Mr. Ross had urged that sanctions not directly related to security be lifted, arguing that measures like holding the Palestinian funds were counterproductive.

Israel detained seven Palestinians in the West Bank overnight and its bulldozers tore down two Palestinian houses Thursday that had been erected without permits, bringing the total of houses knocked down since the bombing to 18. The closure around Bethlehem remained in effect, and Palestinians from the West Bank were not allowed into Jerusalem. Gaza also was sealed off.

Reuter

Vasili Tsibliyev, left, and Alexander Lazutkin sitting on the ground Thursday after their landing in Kazakstan.

DNA: *Rape-Murder Testing*

Continued from Page 1

been no progress in the case since then and Caroline's father, John Dickinson, has accused the French authorities of incompetence and of excessive secrecy.

Genetic testing of blood, semen or saliva provides an individual "print" of a person's DNA, an identification that has almost no chance of replicating another. It is widely used around the world on suspects in continuing investigations and, on occasion, has cleared those previously convicted of crimes.

But the testing of subjects not suspected of the crime is much less frequent. In the United States, the Fourth Amendment of the constitution requires that probable cause be established — in practice meaning a warrant must be obtained before saliva or blood samples can be taken, said Mark Kappelhof of the American Civil Liberties Union.

In France, said Danielle Lochak, a law professor, the law is vague. Normally, consent is required for such civil cases as paternity suits. Only in criminal cases can DNA testing be done without the subject's permission.

For the men of Pleine-Fougeres, population about 2,000, the tests are "voluntary," but the implication by the court and the police is that anyone who does not cooperate will be viewed with suspicion.

"Testing men who are not suspects and against whom no charge has been filed seems to me quite a dangerous precedent," Miss Lochak said. "They're saying, 'We don't know who it is, so we will test everyone.' That's what's shocking." What happens to the samples after the tests are complete, she asked: Might they be stored and used in later, unrelated investigations?

The Dickinson family's lawyer, Herve Rouzaud le Boeuf, said he hoped the court's decision would lead to a debate on the subject in France. There was no particular reason he knew to suspect anyone in particular among the village's male population, he said, but the idea was to get the investigation restarted after a year of no results.

"I don't think the local population will be hostile," he said. "They will be happy to be relieved of suspicion."

In Pleine-Fougeres, there was less enthusiasm. At the local bar, the owner growled that testing "will not change a single thing. We are trying to forget about this."

"Why not extend tests to all the population of France?" asked a woman who answered the phone at city hall. She pointed out that about 250 local residents, such as hostel employees, already have undergone DNA testing.

The night Caroline Dickinson was killed, an intruder entered a hostel in Saint-Lunaire, 27 miles (43 kilometers) away and tried to molest a sleeping English girl. In that case, other students awoke and the man fled.

MIR: *2 Russians Return Home After Star-Struck Space Mission*

Continued from Page 1

whether to circle the space station, Mr. Tsibliyev said, "It's useless."

About three hours later, Soyuz plunged into the atmosphere, its fall eventually broken by a large black and yellow-striped parachute. The cosmonauts were scheduled to fly to Moscow on Thursday evening.

Mr. Tsibliyev, who was commander of the mission, was at the center of controversy about what went wrong with Mir. He was at the controls June 25 when a practice docking went awry and the Progress cargo ship smashed into Mir. Observers on the ground, including President Boris Yeltsin, attributed the accident to "human error," in effect pointing the finger at Mr. Tsibliyev, a veteran cosmonaut.

Shortly after the collision, he suffered an irregular heartbeat, and ground controllers effectively ordered him out of action. In the past month, the crew has been described as tired and overwrought.

The collision was only one of the harrowing problems that has bedeviled Mir. The station's core component is 11 years old, and its aged life-support systems are deteriorating.

During Mr. Tsibliyev's and Mr. Lazutkin's stay, a fire broke out, oxygen generators broke down twice, a cooling system malfunctioned and someone on board pulled a computer plug that shut down power throughout the station and caused it to drift out of control for a time. "This was not a space expedition, but one incessant problem," said Olga Kozerenko, a Mission Control psychologist.

EUROPE: *Cherished Continental Tradition of Long Summer Vacations Begins to Fade*

Continued from Page 1

nies are trying to make, in work rules and production methods, to become more competitive on the world stage.

The shift on summer shutdowns began for the most part with carmakers, but it has been spreading to other industries, including electronics and food processing, that also have extensive overseas operations.

"You have to keep producing 12 months of the year," said Lamberto Prati, the assistant to the president of Barilla SpA, an Italian group that is the world's largest pasta maker.

The move to a working August, while still in its early stages, is beginning to have ripple effects throughout the Continent.

Suppliers are finding that they also have to stay open to keep their customers' factories humming.

The change is also helping to transform the vacation habits of Europeans, who are moving in increasing numbers — and often happily — to the American-style approach of taking shorter breaks several times a year, rather than one long summer holiday. With fewer people away in August, the pace of summer life in many company towns is picking up: instead of pulling in the sidewalks and going on their own vacations, retailers, restaurant owners and others are finding a reason to keep their businesses open as well.

The change can be seen almost everywhere. East of here, in Milan, Italy's business and finance capital, the local division of Nestle SA, the Swiss-based food giant, is keeping its corporate headquarters open all summer for the first time, ending the practice of sending its 700 employees on vacation in August. In Germany, Volkswagen AG, which in the past shut its factories for four weeks every summer, is likewise keeping them open for the first time.

"Everything is changing," said Mr. Viberti, on a coffee break between shifts at Fiat. "Summer is now a hot time, in every sense of the word."

The change is most striking in the automobile industry. Volkswagen executives say the decision to keep open the company's five factories in Germany, which in peak periods employ about 96,000 workers, is part of a strategy to create what they call a "breathing factory," in which production expands and contracts with demand, like a living organism.

Instead of sending workers off all at once, Volkswagen now offers a "vacation corridor" stretching from late June to late September in which employees can take their vacations. Rather than using the summer shutdown to retool for new models, VW will do this while production continues, Mr. Meurer said.

Auto suppliers that never got into the habit of closing in the summer say they are delighted by the carmakers' shift to year-round production, which eliminates bumps in demand. The surge that came each year when the auto industry cranked up after its summer break is now largely gone, said Ingrid Ledertheil, a spokeswoman for Dynamit Nobel Kunststoff GmbH, which makes plastic components, like bumpers and dashboards, for all the major car makers.

Production no longer shuts down, as it once did, at the big plant north of Paris where BASF AG, a German chemical giant, employs 1,000 people making paints for the auto industry. "Working conditions have changed," said Philippe Krasnopolski, a company officer, who added that the change was forced by new manufacturing techniques. "It's all just-in-time delivery," he said.

August factory closings are occurring "less and less in France," he said, although the change has not been as sharp in Italy, where BASF factories continue to close in August.

Maurizio Magnabosco, the head of human resources at Fiat's automobile unit, says globalization is the key that has kept the doors open at his company. Fiat is a major manufacturer in South America, for example. "Down there, it's winter," Mr. Magnabosco said. "If they're working, we have to work, too."

Of course, not everyone is part of the movement yet. Broad swaths of European business are continuing to roll up their assembly lines this month. This year, as every year, Bayerische Motoren Werke AG, or BMW, the German automaker, closed its big factory in Munich for a month, sending 10,000 workers on vacation. In France, Renault did likewise. So widespread are the closures in France's textile industry, which provides fabric for much of European fashion, that production slumps by two-thirds in August from midwinter.

In European capitals like Paris, Rome and Madrid, thousands of small stores selling everything from neckties to necklaces are closed, their owners happily sitting on Mediterranean beaches. In Rome, the closure is still so complete that newspapers publish lists of food stores that remain open to help those left behind find provisions.

Nor have the changes altered the fact that in nonmanufacturing industries, like tourism, many Europeans work longer in summer than at any time of the year.

In Spain, according to estimates by Banco Santander, the largest Spanish bank, the gross domestic product during the peak tourist months of July and August is 15 percent to 20 percent higher than the yearly average. As tourists pour into Spain, bank offices remain open Sundays to meet the demand for services.

Waigel Asserts Immigrants Sharpen German Unemployment

Reuters

BONN — Finance Minister Theo Waigel said Thursday that foreign workers were partly to blame for record unemployment in Germany and demanded a crackdown on illegal immigration.

"We need tax reform and the reform of the social welfare system," Mr. Waigel told the newspaper Bild in response to a question about how to tackle joblessness. "But I want to draw attention to something else: We have the highest immigration rate in the world."

"We must be resolute with the return of illegal foreigners living here and also stop the flow of immigration where it is possible and justified," he said. "The deportation of asylum seekers who have been refused asylum should be the norm rather than the exception."

There were 4.37 million people out of work in Germany in June and unemployment for the year is expected to average a postwar record of 4.3 million.

In January, Mr. Waigel, chairman of Bavaria's Christian Social Union, said it was "grotesque" that millions of Germans were unemployed while so many foreigners were working here.

The issue looks set to become a central campaign issue in next year's general elections, with the leading potential challenger to Chancellor Helmut Kohl last month saying foreigners convicted of crimes were not welcome here. Gerhard Schroeder, Social Democratic (SPD) premier of Lower Saxony, said his party spent too much time looking at the causes of crime and not enough time fighting it.

Mr. Waigel blamed SPD-ruled regional states for delaying the return of refugees who flocked to Germany during the war in the former Yugoslavia. "The return home of civil war refugees must be pursued more energetically, in particular in the SPD-led states," he said.

Mr. Waigel also hinted that countries that did not cooperate in the return of refugees could risk losing development aid. "We will not tolerate that particular states will not take back their own citizens and still thank us for development aid," he said.

FOOTPRINTS: *Ancient Human Stroll*

Continued from Page 1

issue of the National Geographic magazine and in the current issue of the South African Journal of Science.

The most famous ancient footprints, made some 3.5 million years ago, were left by two adults and a child, presumably members of the Australopithecus afarensis species, who walked across a plain now known as Laetoli in Tanzania. The long track of prints was discovered in the late 1970s by an expedition led by Mary Leakey, the noted Kenyan fossil-hunter. The prints provided further evidence that human ancestor species were walking upright long before they started making stone tools.

Earlier this year, another paleoanthropologist at the University of Witwatersrand, Ron Clarke, found ankle and foot bones of a 3.5-million-year-old prehuman ancestor, which are giving scientists their best evidence yet of the skeletal transition that facilitated upright walking. This individual, and presumably the Laetoli walkers, had a human-like ankle but an apelike foot.

Other known prehuman footsteps, were left 1.5 million years ago by Homo erectus, a predecessor species, at the Koobi Fora site in Kenya.

But until now, no one had found any tracks of modern humans from the transition period before 100,000 years ago.

"We don't have any footprints in this time period," said Ian Tattersall, an authority on human origins at the American Museum of Natural History in New York City. "So, it's interesting to find these and see that they are modern-looking, but not surprising."

David Roberts, a South African geologist, was the first to lay eyes on the three footprints in rock within 20 feet (6 meters) of the edge of Langebaan Lagoon, about 60 miles (100 kilometers) north of Cape Town. He was acting on a hunch. He had been picking up rock fragments that had apparently been chipped by human ancestors. And the surrounding gray sandstone was marked by animal tracks.

"I began searching for hominid footprints — and found them," he said. "Hundreds of people had walked over that area, including scientists, and not noticed the prints."

The human track extended only five feet before disappearing at the base of a stone wall. Two of the prints are well preserved, revealing in detail the shape of the big toe, ball, arch and heel. In every aspect, Mr. Berger said, these were the prints of modern human feet.

Several different dating techniques were applied in analyzing the rock bearing the prints, and they all agreed on an age of 117,000 years, give or take a few thousand years.

Judging by the length of stride and the foot size, 8½ inches (22 centimeters) long, the individual was no more than 5 feet, 6 inches (1.67 meters) tall, probably shorter. Scientists said the person could have been a female or a juvenile or a small male.

Not much to go on, but enough for scientists to conjure up a gossamer image of the long-ago moment, soon after a rainstorm. An individual walked down the slope of a dune, approaching the lagoon at an angle and leaving tracks in the wet sand. Was this a casual stroll? Or someone combing the beach for food washed up by the storm? Nothing in the steps betray purpose or destination. But when the dune dried out, wind filled the footprints with sand, protecting them for eventual petrification and then discovery last year.

After finding the tracks, Mr. Roberts uncovered a number of stone tools that must have been made and used by the same people to kill and butcher prey and prepare skins. These tools included blades, scrapers, a projectile point and a large rock core from which flakes were struck. Other exploration in the region produced pieces of ocher pigment; the person who left the prints may have painted her or his body.

Although some of the most spectacular recent fossil finds have been in Ethiopia and Kenya, South African scientists have been steadily gathering evidence suggesting that the modern human species emerged in their part of Africa and then spread north, eventually migrating to Asia and Europe.

TEETH: *Bundesbank's Budget Stand Shows It's No Paper Tiger*

Continued from Page 1

er than that of the first half, Bloomberg News reported from Berlin.]

Bundesbank officials in past weeks have made clear they are willing to pick fights with Germany's enfeebled government as long as such disputes ensure that Germany adheres to the letter and spirit of the budget guidelines for the European currency union.

This week's implied threats of imminent interest-rate increases shows that the central bank, far from being a paper tiger, is willing to risk the outrage of crucial partners like France if it means defending the Deutsche mark.

"They have been quite upset at being called those things and I think they will show that they have the power to act if necessary," said Gernot Nerb, an economist in Frankfurt for Salomon Brothers Inc. The Bundesbank "is fighting back," Mr. Nerb said. "Actually, it is biting back."

Exhibiting its independence on interest-rate policy, another central banker Thursday hardened the Bundesbank's warnings that it is willing to tighten German lending rates, a move that is certain to be unpopular elsewhere in Europe.

Noting that inflation is a cause for concern, a Bundesbank vice president, Johann Wilhelm Gaddum, said the bank "remains full leeway" in setting the level of its repurchase rate.

The repo rate, currently 3 percent, is charged on short-term loans to banks that post government securities as collateral and is used by the Bundesbank to guide the German money markets.

With the advent of a proposed European central bank to replace the Bundesbank, and a euro to supplant the mark, investors assumed that the German central bank's allegiance to Europe hamstrung its traditional role of setting interest-rate benchmarks for the entire continent.

Accordingly, traders recently bid the German currency to its lowest level against the dollar in eight years. They reckoned that Germany could not risk the sort of bold interest rate increase that would upset its European neighbors, who would be forced to follow to defend their currencies.

This week, the Bundesbank prevailed. With signals that rates would be tightened far sooner than had been expected, it won a showdown with the markets: The dollar has fallen more than five pfennig in the past week, to an official midday Thursday fixing of 1.8340 DM.

Frankfurt's money men know that Europe's planned central bank can only be as credible as the Bundesbank, on which it deliberately is modeled. That prompts them to do all they can to assure that the Bundesbank, which celebrated its 40th birthday on Aug. 1, takes its place in history with a reputation for stubborn hard-money independence intact, economists said.

Prior to the mark's recent slump, monikers like "paper tiger" were virtually unknown to the Bundesbank. "Not all Germans believe in God, but they all believe in the Bundesbank," Jacques Delors, former president of the European Union commission, once said.

Stephen King, who called the Bundesbank "truly impotent" in an economics report for HSBC James Capel, conceded that the central bankers had "responded to the lame-duck argument and they have tried to show they have some teeth."

Yet, the Bundesbank has certainly shed its bully image. Gone are the days of former President Helmut Schlesinger, a man accustomed to hurling pronouncements into gyrating markets like Zeus throwing thunderbolts.

In those days, Germany's high interest rates and the mark's bullish strength appeared to threaten European integration. One of Mr. Schlesinger's indiscretions is credited with the ejection of the British pound from the European currency grid in 1992.

Nowadays, the Bundesbank shows a kinder, gentler side. Hans-Juergen Koebnick, another council member, said last month that the Bundesbank would consult its European partners in the run-up to each new interest rate move.

The Bundesbank's credibility was put to the test in June, when the central bank waged a bitter public-relations battle against Finance Minister Theo Waigel's attempt to plug his 1997 budget deficit with revaluation gains from the central bank's gold reserves. The Bundesbank denounced the move as a raid on its independence.

After an unprecedented public feud, Mr. Kohl backed down.

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Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Toward India's Destiny

For a people whose culture was defined two millennia ago, five decades may seem only the flick of an eyelid. But for modern India, attaining the nervous dignity of 50 is an occasion for celebration and self-examination. Both responses reverberate among nearly a billion Indians at home and abroad, some of whom outspokenly decry the shortcomings of a country they perceive as poor, corrupt and divided. Yet this eloquent dissent, no less than fireworks and parades, suggests that this anniversary is truly worth remarking.

This ambivalence is owed in part to the unrealistic hopes and inflated promises that heralded the end of British rule on Aug. 15, 1947. India, in the words of its founding prime minister, Jawaharlal Nehru, had a "tryst with destiny" as it stepped from the old to the new, and the long-suppressed soul of the nation finally found utterance: "At the stroke of the midnight hour, when the world sleeps, India will awake to life and freedom."

Mohandas Gandhi, whose words and example energized the liberation struggle, went further. Once rid of the colonial incubus, the Mahatma said, India was certain to rid itself of poverty and illiteracy. He believed that this was bound to happen despite the division of British India that led to the simultaneous creation of Muslim Pakistan, a step that Gandhi had long opposed.

The awakening was rude and immediate. No leader, Indian or British, anticipated the horrific massacres that turned railroad trains into vehicles of death. As many as a million lives were lost in communal carnage or in the panicky exodus of Muslims fleeing to Pakistan and Hindus fleeing to India. This sowed the enmity responsible for recurrent wars, a reckless arms race and borders still closed to the free movement of kindred peoples. Among the casualties was Gandhi himself, slain by a Hindu fanatic who believed that he had given too much away to Pakistan.

Longer-term promises proved as elusive, in part because India is a free society. Communist China on paper has a higher literacy rate, but this result is achieved with the same coercive power that denies Chinese free access to books and newspapers. Being a free society has brought risks and costs as well as benefits for India.

Nehru's daughter and grandson both served as prime minister, and both were assassinated. The long-ruling Congress Party is a jumble of factions that created an opening for a Hindu nationalist party whose rise has been slowed by its own scandals and corruption. As self-critical Indians are quick to add, violent score-settling has been chronic in a country with five major religions and scores of ethnic groups speaking 17 recognized languages. Nor has freedom loosened the shackles of caste for millions scorned as "untouchable," although last month India for the first time elected an untouchable, K.R. Narayanan, as president.

Little wonder, asserts Salman Rushdie, born in 1947 and author of "Midnight's Children," that Indians react with "shoulder-shrugging sourness" to the anniversary. Nevertheless, writing in Time magazine, Rushdie, a Muslim from Bombay, confesses that he feels like celebrating. A decade ago he traveled through all India and found everywhere that ordinary people, despite their diversity, considered themselves Indian.

It is a monumental achievement that India has survived as a nation united by a commitment to free elections and free speech — a commitment vindicated in the country's reaction to the "emergency" of 1975-1977, when Indira Gandhi ruled as an autocrat and was thrown from power by the voters.

It speaks well for India's vitality and resilience that its own sons and daughters are its most articulate critics, when they are not writing novels devoured by readers everywhere. India trails China in economic indicators, but Indian computer engineers are in demand the world over, and Bangalore is emerging as Asia's innovative computer center.

John Kenneth Galbraith once spoke, half admiringly and half accurately, of India as "functioning anarchy." Fifty years on, India's devotion to personal freedom remains its greatest asset, and it is not unreasonable to hope that its tryst with destiny is still to come.

—THE NEW YORK TIMES.

To Help India's Poor, Focus on Creating Wealth

By Ramesh Thakur

This is the second of two articles.

NEW DELHI — Gandhi and Nehru guided India to independence 50 years ago. The voyage of self-discovery since has been one economic shipwreck after another, or so it often seems.

What would have been Gandhi's and Nehru's emotions if they were told that, 50 years on, India would have the largest number of poor and illiterate in the world? Gandhi promised that with independence, tears would be wiped from every eye.

The legacy of the Nehru dynasty includes the most successful program of poverty multiplication in human history. As a result, countless millions of tears are still flowing. And for rich and poor alike, heavy industrial plants — Nehru's new temples — have shrouded the nation's capital in some of the most poisonous air pollution in the world.

Democracy as practiced in India has been a disillusioning and dispiriting experience for many. Wedded to the rhetoric of Gandhian austerity, lawmakers live in magnificent houses in the most exclusive parts of Delhi. In recent years, a spate of corruption scandals has soiled Indian democracy, tarnished the country's image abroad and made its citizens cynical.

Yet, hearteningly, the flaws of India's rulers have been exposed by the workings of its democratic institutions, in particular the press, judiciary and opposition parties.

The democratic process has accentuated the divide between the qualities needed to capture political power and the skills required to exercise it wisely and well. Public policy, captured by special interest groups, has lost sight of the national interest.

Preferential policies introduced after independence were meant to reduce and eliminate social and economic disparities. Instead they created and nurtured vested interests. As the government framed public policy in a caste-conscious way, groups suffering relative deprivation responded along caste lines. Every affirmative action produced an equal and opposite communal reaction. Equity became the enemy of nation-building.

The Hindu-Muslim conflict in India is endemic, intense and pervasive. It brings civil politics into collision with primordial loyalties. It damages India's bilateral, regional and international relations. It also undermines India's posture as an exemplar of high principles and good governance.

Diplomatically and economically, nonaligned India was on the margins of the defeated and the losers in the Cold War. India's very prickliness on sovereignty issues, such as economic nationalism and its right to develop nuclear weapons, is evidence of fragile self-confidence and low world esteem.

Delhi's ambiguous nuclear posture is a self-inflicted wound that will not heal so long as India neither acquires nor renounces nuclear arms. What may originally have been principled and clever has degenerated into casuistry and indecisiveness.

The Nehru dynasty bequeathed the most successful program of poverty multiplication in human history.

India should emulate China and explore how best to enhance its market power. Colonization left India with an underdeveloped economy and market institutions. Imperfect markets were pushed aside in favor of public sector industries. Imports were disdained in favor of autarky.

The state told industrialists what to produce, where and how much. Imports, foreign exchange and many prices were controlled. Banks and insurance companies were nationalized.

The achievements of planned development were genuine and substantial. In just 40 years, infant mortality was halved, life expectancy nearly doubled and adult literacy almost trebled. But by East Asian standards India's record is unimpressive. Policy failures were reflected in a falling share of world output and exports and a depreciating currency.

Although meant to benefit the poor, state subsidies were hijacked by the rich and powerful. Dirigisme created and nurtured organized interests in an unholy alliance of bribe-seeking and influence-peddling politicians, bureaucrats, industrialists, trade unionists and large landlords.

The spur to economic reforms in 1991 was a major balance of payments crisis that became an opportunity to revamp policy. The pace of change was sustained until 1993. But its beneficial impact is being weakened by the consequences of inaction since 1994.

The public sector is still large, subject to bureaucratic and political interference, and infects many parts of the economy. India's place on the ladder of global competitiveness slipped from 35 in 1994 to 45 in 1996.

The key to East Asia's economic success has been foreign investment. India's investment remains stuck well below the levels flowing into other emerging markets. The difference is striking in the foreign direct investment for the period 1990-1996: $6 billion for India, compared with $157 billion for China, $36 billion for Singapore and $31 billion for Malaysia.

Despite this lag, India's competitive advantages among the emerging economic powers include grass-roots capitalism from which a healthy market economy can grow, a rudimentary but still solid financial system, a self-sufficient consumer base, a large professional class, an education system with established links to the English-speaking world, a well-developed system of property rights and commercial law, an independent judiciary and a free press.

In a renewed effort to build on these strengths, the present Indian finance minister, Palaniappan Chidambaram, is using East Asia as the benchmark for economic and trade reforms. In his most recent budget, which was clearly pro-growth and business-friendly, he tried to shift India from a proscriptive regime that forbids growth to one in which the state facilitates growth in targeted sectors.

But the 13-party governing coalition under Prime Minister Inder Kumar Gujral seems too fragile politically to make the tough economic decisions. Continuing debate between free traders and economic nationalists in the cabinet creates confusion.

Investors remain wary, fearing political paralysis, inflexible labor laws, protracted litigation, exchange rate risks, land acquisition problems, layers of red tape, and the high economic cost of state subsidies. A study presented to Parliament in May showed that such subsidies amounted to nearly $39 billion in the financial year 1994-95, or about 14.4 percent of GDP.

Investors are also frustrated by woefully inadequate infrastructure, including congested roads, slow-working seaports, frequent power failures and broken telephone lines.

India needs foreign investment to make its economy more efficient and internationally competitive. It should concentrate on the business of creating wealth. East Asia's experience shows clearly that this is the best way to start reducing poverty.

The writer, who was born in India, heads the Peace Research Center at the Australian National University in Canberra and is author of "The Government and Politics of India." He contributed this comment to the International Herald Tribune.

Gloomy? But the Prognosis for Postmodern Europe Is Good

By Flora Lewis

PARIS — This is again a period of Euro-morosity. In a way it is worse than previous spates of pessimism because of increasing expressions of doubt about the very keystone of the European Union, French-German solidarity.

It is axiomatic that the French-German partnership is the absolute essential to hold the great enterprise together. If that should founder, the rest would crumble.

But more and more books and articles are coming from both countries about the differences in outlook and intention that can bring strains, especially if the surprise election of a new Socialist government in France last spring were followed by the fall of Chancellor Helmut Kohl in German elections due next year.

The latest is by the French philosopher André Glucksmann, who is of German origin and fully grounded in both cultures. He feels that these peoples whose histories are so entwined are growing apart, indifferent to each other's concerns. Entitled "Good and Evil" (Le Bien et le Mal), the book voices the widespread feeling that the once stirring vision of Europe has degenerated into a technocratic, bureaucratic maze, no longer capable of generating allegiance.

Mr. Glucksmann came to prominence during the student revolts of 1968, when the attitudes of French and German youth were very similar, but he moved away from radicalism to a pragmatic but intensely moral base for guidance. He worries that it isn't shared in consumer society.

"In order not to die or be killed by ideology, do we have to live without ideas?" he asks. "Does Europe still have a soul? *Is it once again an idea?*"

Of course, the miracle of French-German reconciliation in the 1950s was never so perfect as proclaimed. There were always crucial differences which came to a head now and then. They were always surmounted by full recognition on both sides that there is no tolerable alternative.

But the magical awe of this historic transformation has waned. Now the post-Cold War world and the reaction spawned by German reunification is challenging the principle on which it was built.

Essentially, the two pillars were German economic strength and French nuclear power. These symbols of each country's self-confidence are fading. Nuclear weapons don't mean much when there is no clear common enemy, and the Deutsche mark is to disappear into the euro, a single common currency. Will the bargain then come unstuck?

No, says Robert Cooper, a British diplomat who has produced a striking analysis of the evolution of the European state system. He sees change as significant as the 1648 Treaty of Westphalia which ended the Thirty Years War and produced the nation-state on which the world system is now based.

Entitled "The Post-Modern State and the World Order," his essay holds that there are now really three different systems operating simultaneously in different parts of the world.

One is the chaos of failed and incompetent states, a condition which in the past led to empire. But empire no longer offers a solution to disorder because competent states see only burden and no resources to be gained by overlordship of resentful peoples.

An ironic footnote to this observation is the current crisis in the Republic of the Comoros, off Madagascar.

When the time of decolonization came, one of the islands, Mayotte, chose to remain French and the other three declared independence. Now two of these demand to be under French sovereignty again. But Paris will have none of it and refused even to mediate, relieved that the Organization of African Unity took on the task.

The second system is the familiar modern state, with its ambitions, its coalitions, its search for a balance of power. And the third is the postmodern state, open societies, ruled by law and willing to pool important aspects of sovereignty to assure cooperation.

It is unprecedented and difficult to achieve, this system, but it guarantees that its members will never go to war with one another and will resolve disputes politically.

Accompanying this evolution is a true change in the mindset of the peoples involved, whether that is a cause or an effect of joining the postmodern system. The crowds show it.

In Iran, in Algeria, in parts of Lebanon, essentially part of the modern state system, they jump, shout, gesticulate rhythmically, in unison, always repeating simple slogans. These are the kind of crowds that heiled Hitler in self-induced mass hypnosis or saluted a beaming Stalin with clenched fists.

*You don't see that in the post-*modern states, although people do pour into the streets to express a shared emotion.

In Belgium recently, they marched solemnly with white balloons to show their anger at the pedophilia scandal after two girls died. In Spain, vast crowds marched wearing blue ribbons in protest against Basque terrorism. In France, there was a huge, raucous, nearly nude international gay parade deliberately trying to shock and not really succeeding.

There is no guarantee that the postmodern system will work, Mr. Cooper says. "We have to get used to the idea of double standards," eschewing force with each other but prepared to use it with "those who still live in the 19th century world of every state for itself."

That isn't an ideology but it is an idea, an offer of progress for a Europe seeking its soul in human decency.

© Flora Lewis

New Voices in Cuba

A drama of democracy and courage is playing out in Cuba. In mid-July, four dissidents petitioned the government — through the lone channel available to them, the international press — for a broad program of political and economic liberalization. The regime promptly took the occasion of some unexplained Havana hotel bombings, which the four condemned, to arrest them, along with a Cuban journalist, for "counter-revolutionary activities." The evident purpose was to associate independent speaking with bombings tied, but with no show of proof, to exile "terrorist" groups in Miami.

This is not just the familiar tale of an ugly Communist police regime at work. The four — Felix Bonne, René Gómez Manzano, Vladimiro Roca and Martha Beatriz Roque — were performing a particular service. As members of a small dissidents' working group unbeholden to the Communist authorities, they meant to present to the forthcoming Communist Party congress in Havana a picture of contemporary Cuba's current difficulties as essentially self-made, not, as Fidel Castro likes to say, American-made. In a free society, they would be accepted as the opposition, a designation, they noted, that the government ignores in its characterization of all who do not share its political stance as enemies.

It is hard to read the document "The Homeland Belongs to Us All" for which these activists are now imprisoned without asking if they do not represent the wave of a democratic Cuba's future. They seek "a consensus freely reached by the citizenry ... If, as its leaders assert, the citizenry in general supports the Communist Party, there is no reason not to hold internationally supervised, free elections, which would serve to silence all the detractors of the system."

At the end of July the Havana regime put on one of those international youth congresses that are a staple of Communist diplomacy. One can imagine what version of Cuban reality the guests heard from their hosts. It is a pity they did not also hear the version of the dissidents, so that they could use their presence in Cuba to test some of the differences. The Cuban people deserve no less an opportunity themselves.

—THE WASHINGTON POST.

Digs Closer to Home

In a summer of science news dominated by the Mars landing, it is exciting to hear of equally wondrous discoveries being made relatively nearby. Archaeologists, stereotypically a quiet, ingrown and academic lot, have broken through with a series of finds that resonate in the popular mind.

A dig near Astoria, Oregon, shows promise of locating the fort where the exploration team of Lewis and Clark spent the lonely winter of 1805 before heading back across the continent to their historic reward. In Athens, archaeologists identified a 5th century B.C. cemetery that may contain the graves of Pericles, Solon and others from the city's Golden Age. And last month, underwater explorer Robert Ballard — the Indiana Jones of the National Geographic Society who is famous for finding the Titanic and the Bismarck —announced that he had hit upon a fleet of 2,000-year-old Roman shipwrecks under the Mediterranean off the coast of ancient Carthage.

All these finds are testament to group and individual tenacity, years of study and risk-taking as well as some nifty new technology. Mr. Ballard's deep-sea Jason vehicle, for example, working with a U.S. Navy nuclear sub and a support ship, permits diving to a depth of 6,000 meters. He has only begun applying it to the hunt for ancient ships, which more typically have been found only at 60 meters or less.

Although few in the community of scientists would detract from the glories of the space program, we suspect that many would join in congratulating today's archaeologists for reminding us of the intriguing mysteries still out there whose solutions are a bit closer at hand.

—THE WASHINGTON POST.

Big Trouble Ahead if Clinton Doesn't Get Serious

By William Pfaff

PARIS — The Middle East policy of the United States has changed, but not that much, and the change may have come too late.

Secretary of State Madeleine Albright's speech to the National Press Club last week emphasized the primacy of security in the Middle East but also said that "unilateral acts which prejudge or predetermine issues reserved for permanent status negotiations" are unacceptable.

That implicit criticism of Israel's current policy on expanding Jewish settlements and preempting Arab-owned land in Jerusalem was a significant departure from past Clinton administration policy.

Mrs. Albright also proposed folding the so-called interim discussions, now suspended, into a speeded-up final negotiation on a permanent settlement between Palestinians and Israel.

An editorial in The New York Times the next day approved her comment on Israel's policies, and endorsed her advice "to resume negotiations and move on quickly to the hardest but most important issues of a permanent settlement, including the status and shape of a Palestinian state."

That endorsement of Mrs. Albright's support for a future Palestinian state will have caused dismay in Jerusalem. Israel's Prime Minister, Benjamin Netanyahu, and his government oppose the creation of a Palestinian state.

Mr. Netanyahu told the international press in February, at the World Economic Forum in Davos, that the Palestinians must content themselves with a form of local autonomy in the territories given up to them by Israel. These territories would be self-governing entities within a larger West Bank area under continuing Israeli security control. Jewish colonies would be free to expand, and would be linked together by a network of secure highways.

The Palestinian authority would be held responsible for preventing terrorist attacks on Israel, but would not have the attributes of a state, and would not possess sovereignty as internationally defined.

The Palestinians naturally regard this as a plan to confine them in a form of Bantustan, on the South African model. They have believed, however, that the United States would eventually force Mr. Netanyahu to yield, so as to give them a sovereign state.

Before the July 30 suicide bombings in Jerusalem, Bill Clinton had privately told some of his liberal Jewish contacts that administration policy was about to change. These friends in turn told him that the unconditional backing hitherto given to Mr. Netanyahu by the American Jewish community was breaking up, a fact of considerable electoral significance to Mr. Clinton and to his chosen successor, Vice President Al Gore.

American Jewish opinion is reacting to the blocked peace process and to recent attacks made by Orthodox rabbis in Israel on the Conservative and Reform Jewish communities, to which most American Jews belong. There has been a dramatic falloff in contributions to the major Jewish Federations in the United States, connected to this shift in opinion.

However, Dennis Ross, the president's emissary, arrived in Israel last weekend with a mandate to deal only with the security question. This meant U.S. endorsement of Mr. Netanyahu's argument that Yasser Arafat had to take the first step to restore the negotiations broken off earlier this year, after Israel launched new housing construction for Jews in largely Arab East Jerusalem.

An American who saw the Palestinians after their first meeting with Mr. Ross reports that they were furious. They considered the American position not only an echo of Israel's demands but an abdication of the role of honest broker.

Mr. Arafat nonetheless agreed on Monday to re-establish security cooperation, broken off since the Jerusalem bombings. He did so because he is pinned between the extremists in his own camp and the demands of Mr. Netanyahu. His only hope is to get Mrs. Albright to the Middle East and convince her to force Mr. Netanyahu to give the Palestinians the political concessions he has adamantly refused.

Mr. Arafat, himself, possesses no bargaining power. Without the United States, he is at the mercy of Mr. Netanyahu.

The Israeli prime minister demands that Mr. Arafat crush the extremists and deliver their leaders to Israel. The Palestinian leader is incapable of doing that, and would be destroyed if he tried, since Mr. Netanyahu insists that whatever Mr. Arafat does, Israel will make no substantive political concessions and will permit no Palestinian state to exist.

If we are to believe what President Clinton and Mrs. Albright have most recently said about the American role, Mr. Arafat's hopes are illusions. They still insist that the Israelis and Palestinians must settle all this between them. The United States "will work with them to facilitate" their dealings, but "cannot choose" for them.

In that case there probably will be no settlement. Mr. Arafat cannot agree to what Mr. Netanyahu wants. The extremists will therefore take over from him. The Israelis will reimpose military control over the West Bank, and possibly re-intervene in Gaza.

There will be an explosion in the region. All the Palestinians, and all the Israelis, will find themselves much worse off than they ever were before. As for what is important in Washington, Mr. Gore may lose the election.

International Herald Tribune.
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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Imperial Visit

ST. PETERSBURG — The arrival of the Emperor William II here cannot but be regarded as an event of the highest importance. General opinion, so often expressed recently among all classes of Russian society, rightly regards this event as signifying a new and precious pledge of universal peace. Throughout the imposing character of the official receptions and the splendor of the rejoicings organized in honor of the Imperial visitors is felt the solemnity of a most important historical event.

1922: Journalism Loss

LONDON — After lingering on the verge of death for several weeks, Viscount Northcliffe, probably the most dominant newspaper power of the age, succumbed this morning [Aug. 15]. Lord Northcliffe, the creator of numberless magazines, periodicals, newspapers and other publications, who started life with no other assets than his brain and his energy and for twenty years was the dominant figure in the newspaper world, was fifty-seven years old. In 1896, he established a morning newspaper on entirely original lines, the "Daily Mail," which revolutionised British daily journalism. The standpoint of the "Daily Mail" was independent and Imperial.

1947: Paraguay Rebels

BUENOS AIRES — The Paraguayan revolutionists have smashed into Asuncion after a three-day siege and are working their way through the heart of the capital. The rebels, seeking to overthrow Dictator President Higino Morinigo have penetrated to the workers' district and are advancing toward the center of the city.

Herald INTERNATIONAL Tribune

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OPINION/LETTERS

Some Bow to Beijing, But Others Stand Up

By A.M. Rosenthal

NEW YORK — Lovely day at the shore, warmed by the sun and the thought of writing about certain young Americans struggling for the liberty of persecuted people far away. Then Jimmy Carter appears, bringing the shadow that travels with him now.

Once the 39th president prided himself on making human rights a priority in his administration. But he has become part of the great change that Beijing has brought about — turning so many of the American elite into its political and economic servitors.

He appeared in a column he wrote for The New York Times on Sunday (*IHT Opinion, Aug. 12*). It is a classic example of propagandist technique — manipulating truth to produce falsehoods.

> ***China has turned so many of the American elite into its political and economic servitors.***

The most skillful specimen by Mr. Carter amounts to a denial of the millions of Chinese Christians who fight for their religious freedom, and of their suffering: "Although congregations must still register with the government, membership in Christian churches is booming."

The first half of that sentence treats the "registration" of Christian churches as if it were a formality, like getting a peddler's license. The truth, documented repeatedly by the U.S. government, is that registration means submitting to full control by a specifically atheistic branch of the Communist apparatus. Control includes appointment of clergy, including bishops and cardinals, Catholic rejection of papal authority, banning of certain teachings like the second coming of Christ and forbidding proselytizing by foreigners.

The second part is a falsehood for what it does not say: Millions of Christians refuse to be part of the registered "official" churches. They worship in underground churches that the police try to search out and destroy. Their congregations are subject to incarceration, torture and death. But it is in the underground Catholic and Protestant churches that the greatest "boom" in membership is taking place.

To ignore the soaring reality of those who refuse to submit to religious control, and their courage, is a disgrace.

Mr. Carter commits others:

Chinese policies are shaped by fear of chaos from "unrestrained" dissidents. Who? What have they done to create this fear except ask for minimal freedoms?

He says "the tragedy of Tiananmen" aborted discussions that he says he had arranged between Beijing and Tibetans. What was the tragedy — the peaceful protest by students or the murderous attack on them ordered by the Communist leaders he treats with such oozing respect? Why did China not allow talks in four decades of occupying Tibet before Tiananmen — and in the 10 years since?

I believe that Mr. Carter and China's Politburo are both increasingly worried about the rising power of the American public protest against persecution of Chinese Christians. So I take a cleansing shower by thinking of the Americans who want to help the persecuted, not deny them.

Almost every day letters arrive: What can I do, one person alone, to fight persecution? I have never taken part in political action, but these are suggestions from Americans who have:

1. Take every opportunity available in a democracy to the individual: Write or call elected officials, editors, broadcasters and businessmen in the China trade about what kind of legislation, sanctions, news coverage or investment policy you seek as a citizen and consumer. Keep writing and calling.

2. Refuse to remain alone. Work with your congregation, union, clubs, professional association to get legislative action and business responsibility.

3. Vote and buy on your convictions.

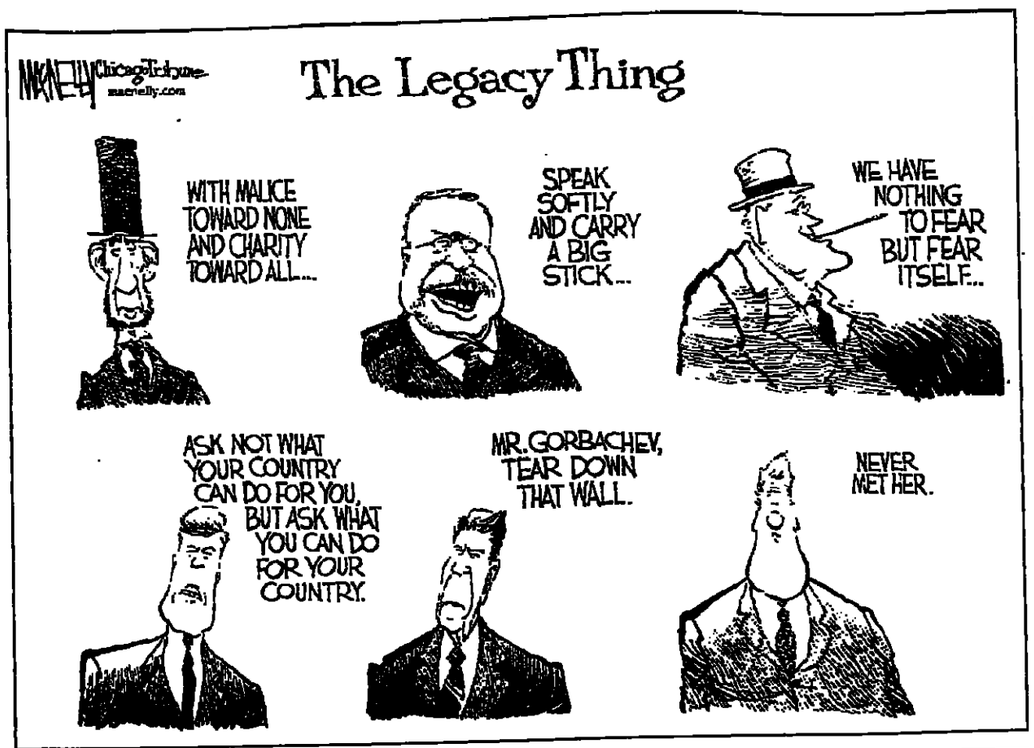
4. Search out organizations already set up to fight persecution.

The young Americans I mentioned have formed Students for a Free Tibet in high schools and universities. They are part of a network of students, actors and musicians who give their energies, talents and money to arousing Americans to the slaughter of Tibet.

Untiring protest by the group is an important reason why the Holiday Inn chain recently ended its management contract with a Beijing-owned hotel in Tibet.

So, Beijing rulers are doing two things at the same time. They are turning the powerful of America to their service. And they are creating millions of Americans, young and not so young, who will never be turned.

The New York Times.



LETTERS TO THE EDITOR

Subcontinent Needs Help

India and Pakistan are commemorating 50 years of independence, but without great cause for celebration. The subcontinent, with its vast potential of human and material resources, has not blossomed after the end of the colonial era as was hoped and expected. Instead of looking to the future, it has been focusing on reliving the past. It has been bypassed by history as other Asian countries have surpassed it politically and economically.

President Bill Clinton summed up the situation at a press conference last week when he implied that the region was not a hot issue for the United States, but was a source of concern because India and Pakistan had not been able to work through their differences.

Most disturbing is the baggage of hatred and distrust carried by the two countries. Notwithstanding the admittedly adverse impact of their colonial past, the fault lies largely with India and Pakistan themselves. They have squandered precious resources and dissipated them by fighting each other, rather than addressing domestic needs. Instead of resolving divisive issues, both seek constant confrontation.

Now a costly arms race has begun. The fact that both countries have nuclear capability increases the danger of conflict, either by design or by miscalculation.

Perhaps no two neighboring countries have done more to undermine each other than India and Pakistan.

Yet they cannot be ignored or left to themselves to drift further toward economic despair and a nuclear abyss. The United States and other nations should not look the other way. They should actively engage in helping to resolve the conflict and to prevent a crisis similar to that in the Balkans or the Middle East.

The Indian subcontinent has the potential to become a major economic player and a contributor to peace on the world scene. It must be helped to help itself.

MUNIR AHMED KHAN.
Amsterdam.

The writer is former chairman of the Pakistan Atomic Energy Commission.

On Weld and Marijuana

As a loyal overseas American, I was troubled to read of the bad blood between Senators Richard Lugar and Jesse Helms concerning the nomination of William Weld as U.S. ambassador to Mexico.

It seems that Mr. Weld favors the legalization of marijuana for medical purposes, which is anathema to Senator Helms. For the life of me, I couldn't figure out why. Then it dawned: Marijuana is smoked. Someone lighting up a joint is not using tobacco, and this constitutes a threat to thousands of tobacco farmers in North Carolina.

There is, however, a happy solution. I recall an old movie in which a well-meaning American housewife inadvertently threw a fistful of marijuana into a batch of cookies she was about to bake.

It should be brought to the attention of Mr. Helms that this form of administration of cannabis constitutes absolutely no threat to the North Carolina tobacco farmers.

PHILIP HOLZBERGER.
Logrian, France.

Mr. Helms claims that William Weld's sympathy for medical marijuana disqualifies him from being U.S. ambassador to Mexico. Mr. Weld would send a confusing message to the Mexicans, who somehow deserve an ambassador who is "tough on drugs." But maybe it's time we started treating the Mexicans like neighbors — what better mission for an ambassador than that?

PAUL WOLF.
New Paltz, New York.

Marijuana is not the real issue here. It is William Weld's tolerance of homosexuals and of women's right to control their bodies — a rejection of the dogma of those who currently control the Republican Party.

Mr. Weld might actually make a decent president, which is what Jesse Helms and his ilk are really afraid of. Americans have had a lot worse.

BOB GROSS.
Paris.

Regarding "We Don't Want a Drug Legalizer" (Opinion, July 31) by A.M. Rosenthal:

Mr. Rosenthal uses the Weld-Helms debate as a pretext to rehash his anti-drug beliefs. Latin American and Asian drug lords reap huge rewards from the continued criminalization of drugs. Mr. Rosenthal is also silent on the subject of alcohol, whose effects are arguably worse than those of marijuana.

PHILIP GLOUCHEVITCH.
South Royalton, Vermont.

German Anthem's History

I don't think Hagen Graf Lambsdorff needs to be so patronizing about Samuel Abt's designation of the German national anthem as "Deutschland Uber Alles" (*Letters, July 30*). After all, the new lyrics are merely the third verse of the same poem.

It is interesting that the very musical nation of Germany, since its unification in 1871, has had two national anthems, and both with melodies borrowed from other nations. First was "Heil Dir in Siegeskranz," sung to what is better known as "God Save the King/Queen," of old but uncertain origin. In 1922, it was replaced by "Deutschland, Deutschland Uber Alles" set to Haydn's melody, which he wrote in 1797 as Austria's "Kaiserhymne."

Even the late German Democratic Republic managed to produce a homegrown national anthem, by the composer Hanns Eisler — but I suppose that is now lost in history's rubbish heap.

GEORGE SELKIRK.
Paris.

Cosmic Rays Do Hit Earth

Regarding "Are Laptops an In-Flight Peril?" (Features, July 4):

It is wrong to say cosmic rays "rarely penetrate beyond" 40,000 feet from Earth. Cosmic rays are high-energy particles permanently bombarding Earth. Some, the neutrinos, even go through it.

ROGER ANTHOINE.
Geneva.

Stop Wasteful Fishing And Save Marine Life

By Joshua Reichert

WASHINGTON — Few people are aware that for every pound of shrimp they throw on the barbecue grill or dip into cocktail sauce, an average of five pounds of other marine life is deliberately destroyed.

In a world where many fisheries are in trouble, thousands of fishermen are losing their livelihood and millions of people routinely go hungry, we have every reason to ensure that our ocean resources are carefully husbanded and wisely used.

MEANWHILE

Regrettably, they are not.

According to the United Nations Food and Agriculture Organization, roughly 27 million tons of fish and other marine life are thrown back dead or dying into the sea each year by fishing fleets that do not want everything that comes up in their nets or on their lines.

That tonnage is equal to about one quarter of the entire global fish catch in recent years. These inadvertently captured species are referred to as "bycatch."

Fish are sometimes unwanted because they are inedible or too small to market. In other cases, they are discarded simply because they are not what the boat operator is looking for. This is particularly true for boats targeting valuable species such as cod or pollock.

In some instances, fish are not kept because of government regulations that bar the taking of juvenile fish, endangered species or fish for which the season is closed.

In addition to fish, millions of other creatures, including sea birds, endangered sea turtles, dolphins, sea lions, whales and other marine mammals, fall victim to the brutally inefficient methods now employed in most large-scale commercial fishing operations. In the Southern Hemisphere, for example, it is estimated that tens of thousands of wandering albatrosses are killed each year, hooked and drowned in the long lines of tuna fishermen.

Aside from the ethical issues related to the needless killing of so many marine creatures, the huge number of organisms that are needlessly destroyed in fishing operations undermines efforts to protect endangered species, restore weakened fisheries and preserve a healthy ocean ecology.

The bycatch problem is not, however, insoluble. The Food and Agriculture Organization estimates that the discard of unwanted fish could be reduced by about 60 percent by 2000 through a variety of efforts.

These include closing to fishing particular areas where targeted and non-targeted species both occur in significant numbers; modifying fishing gear in ways that reduce the likelihood of catching unwanted species; developing incentive programs that encourage fishermen to reduce the ratio of unwanted to targeted species; and placing limits or quotas on bycatch that are enforced.

Some progress has already been made. The use of drift nets up to 30 miles (50 kilometers) long that entangle everything in their path has been abandoned in most fisheries.

In the eastern Pacific, changes in tuna fishing methods have dramatically reduced the number of dolphins drowned each year in nets.

Turtle excluder devices on nets used in some shrimp fisheries have reduced the mortality of sea turtles.

And at the end of its last session, the U.S. Congress passed amendments to the Magnusson bill on fishery conservation and management, requiring a reduction in bycatch.

While important, the steps taken so far represent only the beginning of a solution to the bycatch problem in U.S. waters, much less elsewhere in the world where little or nothing is being done. To adequately protect the world's marine environment and help restore fisheries and the jobs they provide, governments and international bodies will have to take decisive, sustained action to monitor, control and reduce bycatch to far lower levels than exist today.

> ***Inadvertently captured species make up about one quarter of the entire global fish catch.***

Government action alone, however, will not end the problem of bycatch. Unless fisheries operators and fishermen themselves recognize that their livelihoods are threatened by so much waste and act to stop it, this needless destruction will go on.

Mr. Reichert directs the Environment Program of the Pew Charitable Trusts, one of the largest foundation supporters of marine conservation in the United States. He contributed this comment to the International Herald Tribune.

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THE WORLD'S DAILY NEWSPAPER

50 Years of Freedom: India, the Past to Present

This Birthday Without Party Can Be a Liberation for Visitors

By John F. Burns
New York Times Service

NEW DELHI — The 50th anniversary of India's independence in August 1947 was still a couple of years away when the American ambassador to India, Frank Wisner, hit on an idea he took to P.V. Narasimha Rao, who was then the country's prime minister. If India were to use the occasion as a vehicle for celebrating democracy, Wisner suggested, the United States would lend its support, and organize events of its own that would hail India's tradition of electing its governments.

Rao, who once told an interviewer that he would like to be remembered for perfecting the art of what he called "masterly inactivity," was not galvanized. According to an aide to Wisner, who left New Delhi in July to begin a new career in New York, the Indian leader, then 74 years old, regarded the American envoy balefully, then passed on to other matters. "It looked as though Rao was saying to himself, 'What on earth is this fellow talking about?' " the ambassador's aide recalled.

For Rao, the issue then was not so much celebrating democracy as finding ways to hang on to his job, a struggle he lost in the general election of May 1996. Since then, Indian politics has been a revolving door. With the constant threat of following Rao into political oblivion, no one has had much time to think largely about India's half-century as an independent nation, or about ways the anniversary could be used to renew the spirit of men like Mohandas K. Gandhi and Jawaharlal Nehru, who led India to what Nehru called its "tryst with destiny" at midnight on Aug. 14, 1947.

As an occasion for a party, the anniversary looks like something of a bust, to the extent that the committee responsible for organizing the celebration was forced to announce, with only weeks to go to the anniversary, that it was shifting the calendar and declaring the August date to be the beginning, not the culmination, of the anniversary year. As for events over the next 12 months, the committee has so far been vague, saying that while it will be staging cultural and other events that give the anniversary a national flavor, it expects the celebrations to be organized mainly by the 25 Indian states and in the country's 650,000 villages.

The Reasons to Celebrate

Gandhi, who had opposed until almost the last moment the partition of British India into the separate nations of India and Pakistan, said at the time that he found nothing to celebrate in the moment of independence. Many think that Gandhi would find little to celebrate in the country's current state, with levels of poverty, illiteracy, disease and corruption that mock many of the Mahatma's hopes for his country.

India's political malaise is not the only reason the country has not so far been seized with enthusiasm and nostalgia. Unlike Westerners, Indians are not much inclined to celebrate anniversaries of any kind, and in any case, for a people who trace their civilization back 4,000 years, 50 years can seem but a blink in time.

Still, India's seeming lack of enthusiasm is no reason for others not to find their own ways of marking the birth of a nation that was a watershed not only for India, but for the world as well. India was, after all, the first, and the most populous, of the dozens of countries that broke free from colonialism in the postwar era, and it was, and still is, a bellwether for free peoples in the poorer parts of the earth. Nelson Mandela, freed from 27 years in South African prisons, made one of his first overseas trips to India, telling audiences here that his struggle had been profoundly influenced by India's example.

Americans, too, have much in India's anniversary to celebrate and something, too, in which to take pride, since American pressures, including some that were applied by President Franklin D. Roosevelt during his wartime meetings with Winston Churchill, played their own part in persuading Britain's postwar government to end the British Raj. There is, too, the fact that the 1990s have seen a turn toward the congenial relations between India and the United States that seemed natural in 1947, but that evaporated amid the tensions that accompanied India's alliance with the Soviet Union, and U.S. ties with Pakistan, during the Cold War.

The improving relationship has been accompanied by rising numbers of American visitors to India, who have recovered from the shock of the plague scare of 1994, and are once more crowding the country's overstretched hotels, planes and trains during the October-through-April high season. Partly because of the anniversary, the tourist season that will begin once the current monsoons end in September is expected to be the busiest ever.

Although this may mean more than the usual difficulty in making reservations in the best hotels, it may not be too serious a problem for travelers who would like to take independence as their motif. For them, the absence of grand events, the fact that this is to some extent a birthday without party, cake or candles, can also be a liberation. For the history being marked is accessible almost wherever a visitor travels, not only in the museums and sites that can be found in any good guidebook, but also in the living testimony that is offered by Indians themselves to the instinct for freedom that found expression in 1947.

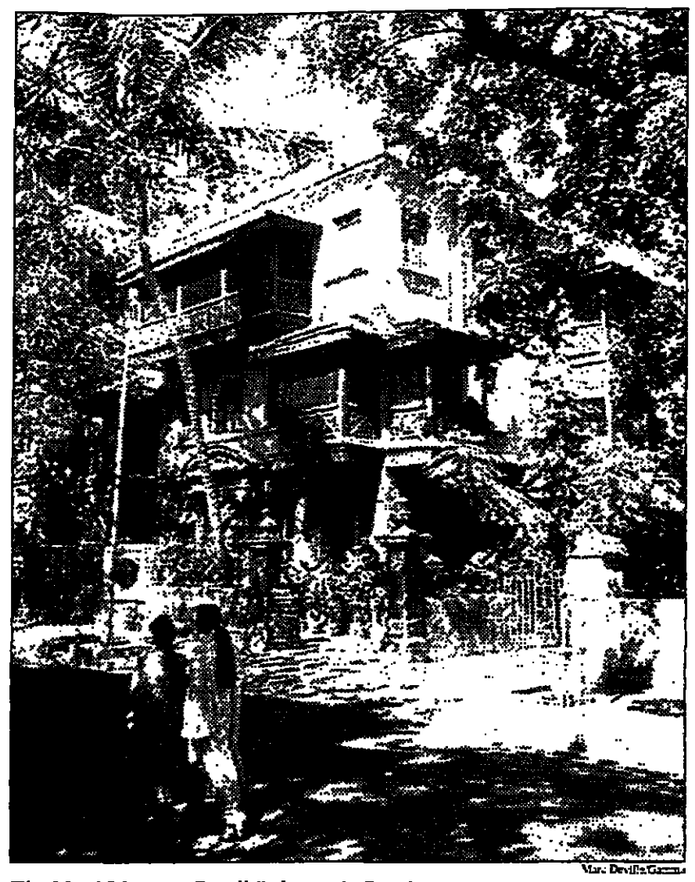
A SURE FOUNDATION For while democracy may be going through a rough passage in New Delhi and the state capitals, the democratic spirit elsewhere is thriving. A visitor who stops in any teahouse, or on any village corner, soon finds that India's political institutions rest on a sure foundation, the determination of everyman to have his say.

Despite levels of poverty that have small children banging on car windows at urban traffic lights for small change, there are few places that travelers visit in India, outside of Kashmir and other border regions affected by separatist uprisings, where they will be at any appreciable risk. Even theft is relatively unusual, with the poorest of Indians often quick to return a dropped wallet or a mislaid bag.

Foreigners arriving unheralded in a village, or clambering aboard an overcrowded train, will generally be overwhelmed by generosity, goodwill and good humor. These qualities rarely flag, even when the subject is the two centuries of British rule. Although most Indians are keenly aware of the indignities and deprivations, few nowadays speak disparagingly of the British, while many recall the better things they bequeathed — the world's most extensive railways, an elaborate administrative system that made governing such a vast country possible, the rule of law and, perhaps especially, cricket, an Indian passion.

Philadelphia Museum of Art

"Street Acrobats, Bombay," 1981 (detail), by Mary Ellen Mark.



Marc Deville/Gamma

The Mani Bhavan, Gandhi's house in Bombay.

For those who would like a more tangible experience of what Indians call their freedom struggle, the choices are endless.

NEW DELHI is an obvious starting point, although the place that saw much of the crucial action in the months before independence, the former palace of Britain's Viceroys, now known as the Rashtrapati Bhavan, or Presidential Palace, is not normally open to the public except by special application. It was in this magnificent red sandstone edifice, between March and August 1947, that Lord Louis Mountbatten, the last of the viceroys, negotiated with Nehru, Gandhi and Mohammed Ali Jinnah, the Muslim leader, on the terms that led to the partition and independence.

Three other houses in New Delhi are rich in associations with the independence movement. At the Birla House, a whitewashed industrialist's mansion in the leafy part of New Delhi that Britain developed for the residences of its senior officials, visitors can pause at the site where Gandhi was assassinated by a Hindu nationalist, Nathuram Godse, on Jan. 30, 1948. Now a museum, the house includes the Spartan room where Gandhi spent his last night and footsteps, picked out in concrete, that follow his last walk out into the garden. Nearby is Teen Murti Bhavan, Nehru's official residence during his 17 years as prime minister, now a museum, with a bedroom only slightly more indulgent than Gandhi's, as well as a study and reception room preserved as they were in Nehru's time.

Another short walk away at 1 Safdarjung Road, is the residence where Nehru's daughter, Indira Gandhi, prime minister for 15 years, was assassinated by Sikh security guards as she walked through the garden in October 1984. The house is preserved as a museum to Mrs. Gandhi and to her son, Rajiv Gandhi, her successor as prime minister, who was killed by a Sri Lankan Tamil suicide bomber in May 1991 while electioneering outside Madras. A few miles away, on the banks of the Yamuna River, are the ghats, or cremation sites, where Gandhi, Nehru, his daughter and his grandson were placed atop sandalwood pyres; they are remembered now with memorials.

But perhaps the greater pleasure lies in visiting the places where the freedom struggle was fought and won. A traveler could spend months following the traces, but a few sites stand out. In Amritsar, near the Pakistan border 250 miles (400 kilometers) northwest of Delhi, there is the Jallianwala Bagh, now a memorial garden, where a British general, R.E. Dyer, ordered troops to open fire on a protest gathering in April 1919, killing 400 people and wounding hundreds more, and lending momentum to the freedom movement that was never lost.

In Allahabad, 350 miles southeast of Delhi, an ancient city on the Ganges that retains much of its old elegance and charm, is the Anand Bhavan, the magnificent verandaed mansion that was the family home of the Nehrus. Given to the nation by Mrs. Gandhi, who grew up there, this house, too, may be seen by visitors much as the family left it, with simple bedrooms and the book-lined study where Gandhi, Nehru and other Congress Party leaders held crucial strategy sessions.

Gandhi Country

For those especially interested in Gandhi, there is Ahmedabad, 450 miles southwest of Delhi, headquarters for the Mahatma after he returned from South Africa in 1915, and site of the Sabarmati Ashram where he taught his followers. Here, and in Gandhi's home nearby, where his spinning wheel, desk and personal belongings remain, visitors can capture the Spartan simplicity of his life style. It was from the ashram, in March 1930, that Gandhi set out to walk 240 miles to the Arabian Sea at Dandi, where he and his followers symbolized resistance to British rule by making salt, defying colonial laws that imposed taxes on salt-making and other indigenous industries.

Just about every city and town has its own statue, memorial or museum. But Gandhi would almost certainly have told visitors to India in the golden jubilee year of its independence to seek the heart of the country where he found it, in the villages where three-quarters of the population still lives. If it is part of free India's failure that too little has been done to alleviate the grinding hardships of its poorest people, it is also part of the country's allure that the simple, down-to-earth life of many has been left largely untouched, accessible to anyone with time and energy to seek it out.

Taking to the Cooling Hills For a Colonial-Style Getaway

By Barbara Crossette
New York Times Service

KODAIKANAL, India — A century or two ago, there was not much glamour or fun in running the British empire in India, with its sweltering cities and small towns baking on the plains. Men, women and children were struck down by cholera, malaria and other fevers with no names or cures.

Overdressed and overfed in a foolish attempt to keep up the habits of Home — the word was usually capitalized — these servants of the Raj fretted and fainted away, their tempers and lives shortened. Some sank into depression, some went mad. Early in the 19th century, however, they happened on a cure for their ills: the hills.

After British soldiers fighting the hardy Gurkhas of Nepal for control of the foothills of the Himalayas discovered that higher-altitude missions made them feel better, it did not take too long to extend the benefit to civilians. By the 1820s, the British were building what they called hill stations.

By the end of the colonial era, there were dozens of them in India, perched on ridges or nestled on cool mountain plateaus, above the reach of malarial mosquitoes and mobs. Some became official summer capitals of provinces or of East India Company regions known as Presidencies. Simla, the largest of the hill stations, was the capital of British India for part of every year and the headquarters of the imperial army.

The Social Season

Apart from the sanitarium or convalescent home that gave many of these towns a reason for being, there were cozy cottages, churches, clubs, schools, libraries and gardens where European flowers grew, to the joy of homesick imperialists. Fragrant evergreens scented the air.

Social events were unending, and with social life often came discrimination, not only against Indians, but also against one another, according to rank.

Two hill stations were a little different, at least in their origins. Kodaikanal, in the Palni Hills of the southern state of Tamil Nadu, was the only one founded by Americans — Congregationalist missionaries. And Kalimpong, in the eastern Himalayan foothills, was a wool-trading post on the road from Tibet to the Gangetic Plain that was wrested from the kingdom of Bhutan.

One element in the atmosphere of Kodaikanal would by itself distinguish it from strictly British hill stations: a strong egalitarianism. There was no official British presence except for the ubiquitous government representative known as the Collector and civil servants on leave. There was no military cantonment.

Except in the highest tourist season — from April to June, when buses bringing Indians from the plains below jam the town and multiply its population many times over — Kodaikanal remains a relatively small place, with its 19th-century man-made lake and a good deal of its surrounding forest cover intact.

People come to Kodaikanal to walk: around the lake, around the town and its old steepled churches, or along Coaker's Walk, a footpath with panoramic views. Some climb Perumal Malai, a cone-shaped mountain more than 8,000 feet high. Others rent boats and row lazily around, enjoying views of a still recognizable low skyline.

PONIES AND MONKEYS And of course, there are pony rides. Hill stations all over Asia have horses and ponies for hire; they once were the only means of transportation. There are a couple of natural wonders nearby. But these — Pillar Rocks, granite towers partly framing a view of the plains, and Suicide Point (renamed Green Valley View), with its broad vista — are often overrun by hordes of sightseers, vendors of snacks and souvenirs, and monkeys. Hill stations are famous for monkeys, which have no inhibitions when it comes to relieving you of your picnic or a stray piece of clothing.

Kalimpong, in the eastern Himalayan foothills a couple of hours by road from Darjeeling, the more famous hill station in West Bengal, is different in almost every way.

Like most other northern hill towns, Kalimpong was built along a ridge, with commanding views of the plains. Hill stations on ridges have serious environmental problems. When trees and other vegetation are cut haphazardly and not replaced, erosion and a lowering of the water supply is swift. Kalimpong, still a favorite of many Calcutta families as well as Bhutanese royalty, was once a big village with tree-lined avenues and Buddhist temples. It is now a fairly ugly pile of modern buildings arrayed along a few streets jammed with shops.

ITS native Lepcha people and Buddhists with roots in Bhutan, Sikkim and Tibet have long been outnumbered by ethnic Nepalis, who call themselves Gurkhas. A decade ago, they mounted a violent campaign for a separate Gurkhaland in this strip of India. Tourists fled.

The hills are quiet now, the Nepalis enjoy some political autonomy and tourists are back in significant numbers. There are still Bhutanese Buddhist temples. Tibetan in inspiration, to see in Kalimpong, as in Darjeeling, which was once part of the kingdom of Sikkim. But most people come for the bracing climate and the extraordinary views of the Himalayas.

Gamma

A field of tea in the hills of the state of Sikkim.

MOVIE GUIDE

Claudette Barius

Harrison Ford as the president of the United States in "Air Force One."

Air Force One

Directed by Wolfgang Petersen. U.S.

Harrison Ford makes such a dynamic president in "Air Force One," you may find yourself favorably weighing his odds in Iowa and New Hampshire. As President James Marshall, he's one part bleeding heart, two parts Sergeant Fury. A Medal of Honor winner, this chief executive flew countless missions in Vietnam, speaks his mind publicly (sending his national security adviser and handlers into a cowardly dither), cares about other nations, loves his wife and daughter and — most importantly for this kind of movie — can roughhouse with the best of them. "To those who use atrocity and terror," declares the chief executive in a from-the-heart speech while traveling in Moscow, "your days are over." This challenge is moments away from being tested. Not long after the president, first lady (Wendy Crewson), their daughter (12-year-old Liesel Matthews), and the entire Air Force One entourage board the plane, Communist radicals, led by a man named Korshunov (Gary Oldman), take command of the aircraft. While the terrified passengers huddle at gunpoint, and the White House contingent in Washington — led by Vice President Kathryn Bennett (Glenn Close) — attempts to negotiate, Korshunov makes his demands known: Release their leader, General Alexander Radek (Juergen Prochnow), from Moscow jail or a hostage will be shot every half hour. On the most immediate, visceral level — which is all that most people ask of their summer movies — "Air Force One" does exactly what it's supposed to. It thrills you constantly and gives you a guided tour through the innermost sanctum of American hegemony. One of the most anticipated releases of the summer, it's one of the few that truly fulfills expectations. With Ford at the helm, these are the makings of a late summer landslide. *(Desson Howe, WP)*

187

Directed by Kevin Reynolds. U.S.

As Trevor Garfield (Samuel L. Jackson) bicycles energetically to his teaching job at a tough Brooklyn high school, it's easy to imagine where he's going: to students who swagger at first, then melt at the sound of Shakespeare. To administrators who resist change, then admit the errors of their ways. To parents who are eternally grateful for the way a dedicated teacher can turn lives around. Not quite. In the strong and sinister "187," directed by Kevin Reynolds with much more insinuating flair than he gave "Robin Hood: Prince of Thieves" or "Waterworld," things are not simple for an idealistic high school teacher. Trevor falls into a world as stylishly murky as that of the macabre "Seven," a place where the power of righteousness hasn't even a dim chance to prevail. "187" stakes its claims to authenticity with a title taken from the California state penal code (it means murder) and a closing title reading, "A teacher wrote this movie." The screenwriter, Scott Yagemann, has had experience writing for shows like "Love Connection" and "Jeopardy," along with time spent substitute teaching in the Los Angeles public school system, and the film often works overtime to exaggerate its street credibility. But "187" is genuinely disturbing in its vision of fearless students and powerless teachers locked in struggle. Beyond Jackson's fine, smoldering performance as a good man pushed beyond reasonable limits, the film's emphasis is on visual style. As evocatively photographed by Ericson Core (who has much experience in music video), it unfolds in a sulfurous atmosphere with sharp intimations of doom. *(Janet Maslin, NYT)*

Spawn

Directed by Mark A.Z. Dippe. U.S.

Bleaker than Batman and crisper than bacon, the deep-fried superhero of "Spawn" takes on the Devil himself in this muddled revenge fantasy inspired by Todd McFarlane's best-selling comic book. The film, like the comic book and the animated series, draws heavily on religious doctrine, but it doesn't skimp on the visually enhanced flatulence jokes. The movie opens as Al Simmons (Michael Jai White), a crack CIA operative, is set afire by corrupt colleagues, dies, spends five years in Hell and finally is resurrected as Spawn. Before returning to Earth, he signs a pact with the Devil, promising to lead his army in exchange for one last visit with his beloved wife (Theresa Randle). Among his opponents is the Clown (John Leguizamo in 20 pounds of fat), supplying both gas and comic relief. Spawn then confronts his former CIA boss, Jason Wynn (Martin Sheen), a megalomaniac who, duh, plans to take over the world. Unfortunately, Wynn's evildoer is a couple of watts short of a bulb. For that matter, so is "Spawn" with its thicket of narrative, punctuated by repetitive action sequences. *(Rita Kempley, WP)*

LEISURE

Good-Bye Schizophrenia, Hello Glamour: New Berlin Emerging

By Alan Cowell
New York Times Service

BERLIN — Seven years after Germany's reunification, the main event in Berlin is still the city itself, a work in progress that invites a guessing game: What will the place look like once all the cranes and excavations are gone and a new capital arises?

The government and investors have poured billions into the fusing of the once-divided city, hoping to blend the old Berlin of Unter den Linden and the Brandenburg Gate with a new steel-and-glass business center.

While still unfinished — the German Parliament is not scheduled to complete its move here from Bonn until the year 2000 — the new city is emerging, particularly in the Mitte district stretching east from where the Berlin Wall once ran.

Here investors have doggedly created spanking-new luxury hotels and shopping arcades that will, they hope, one day compete with the glitter of the Kurfuerstendamm shop and hotel district in the west, which still represents for many visitors the most chic part of the city.

The Mitte district, by contrast, is eerily empty after business hours, with few people out on the streets around the Galeries Lafayette on Friedrichstrasse — a thoroughfare envisaged as Berlin's answer to Rome's Via Condotti.

But compared with the old Communist days, there is glamour and fun to be found in an array of bars and restaurants. And this year the eastern part of the city won back its prewar status as host to one of Germany's grandest hotels: the Adlon Kempinski, looking out directly onto the Brandenburg Gate.

Berlin also has its sights set on becoming a cultural metropolis, with two new galleries housing private collections of modern art from Picasso to Andy Warhol. And September offers a packed program of classical music in the Berlin Festival Weeks.

In some ways Berlin is a series of villages, each with its own flavor. In the west, the area around Savignyplatz offers bookstores, bars and restaurants. A few years back, the "alternative" center of Berlin was Kreuzberg, in the west, still known as a hangout for the young and for its foreign shops and restaurants, mainly Turkish. But since reunification the Prenzlauer Berg district in the east has come to the fore as the place for hectic street life around bars and restaurants.

Come the fall, there is a full program of music and opera from such world-class orchestras as the Berlin Philharmonic conducted by Claudio Abbado and the German Symphony Orchestra of Berlin conducted by Vladimir Ashkenazy, both at the Philharmonie.

The German Symphony Orchestra opens its 1997-98 season on Aug. 24 with Ashkenazy conducting and Nigel Kennedy as the soloist in Beethoven's Concerto in D for Violin. Telephone (49-30) 229-8413; tickets $9 to $39 (prices calculated at 1.67 marks to $1).

The 47th Festival Weeks

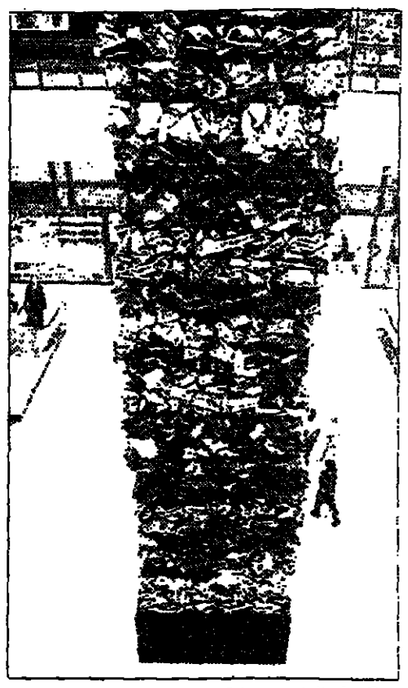
September brings the 47th Berlin Festival Weeks, to be opened by the Berlin Philharmonic on Sept. 6 with a program of Franz Schubert and Wolfgang Rihm. Call (49-30) 2548-9254; tickets $15 to $72. Other highlights of the Festival Weeks, running through Sept. 30, include the Berlin Philharmonic conducted by Daniel Barenboim with Thomas Zehetmair as violin soloist in a program featuring the music of Mozart, Schumann and Bernd Alois Zimmermann on Sept. 22. On Sept. 28 (11 A.M.) and Sept. 29 (8 P.M.) Gary Bertini conducts the German Symphony in Mahler's Symphony No. 1 and "Judische Chronik," composed in 1960 — one year before the building of the Berlin Wall — by Karl Amadeus Hartmann, Paul Dessau, Rudolf Wagner-Regeny and Hans Werner Henze — the only piece for which East and West German musicians came together to depict their common past.

Strauss's "Rosenkavalier" (Sept. 5 and 14), Wagner's "Tristan und Isolde" (Sept. 7) and Verdi's "Aida" (Sept. 20) are on the schedule for the Deutsche Oper, (49-30) 341-0249; tickets $10 to $85.

The Staatsoper has a busy program that includes "The Magic Flute" Aug. 30 and 31 and Sept. 2, 4 and 6, and Mozart's unfinished and rarely performed "Zaide" on Sept. 20, 21, 23, 25, 27 and Oct. 7 and 13. (49-30) 2035-4555; tickets from $7 to $69.

On Sept. 11, the Komische Oper will present "Don Giovanni," then "Cosi Fan Tutte" Sept. 13. (49-30) 2026-0360; $8 to $56.

Two big street parties: On Aug. 30, from 7 P.M. to midnight, 500 models will walk the world's longest catwalk, a kilometer on the Kurfuerstendamm, to present designer collections in a happening called the Big Q; on Sept. 20 and 21, Unter den Linden will hold its 350th birthday celebration.



Guenter Schneider for the New York Times

Car sculpture in a Berlin shopping arcade.

HISTORY, GLORIOUS AND OTHERWISE Berlin is not a good walking city, because it is so big and because the construction sites make it extremely difficult to cross streets. Brochures for walking, bus and bicycle tours can be found in most big hotels, and a day ticket for all of Berlin's public transport costs $4.50. State-owned museums, like the Pergamon, are free the first Sunday of each month and closed Mondays.

Among the city's privately run museums is the Haus am Checkpoint Charlie, with labels in German, English, French and Russian. Among the objects displayed are paraphernalia used in various attempts to get under, around or through the wall. Watchtowers and pieces of the wall are a block north. Open 9 A.M. to 10 P.M.; admission $4.50 and $2.70.

For a look into the future (the end of 1998, by current estimates), the Info Box at the Potsdamer Platz offers a raised viewing gallery overlooking Europe's biggest construction site and a wealth of exhibits about the buildings that will rise at the heart of the new Berlin, including office towers for Sony and Mercedes.

Just across the way, in the direction of the Brandenburg Gate, is a small, fenced-off grassy mound, the site of Hitler's bunker. It is not marked or open to the public lest it become a shrine for neo-Nazis. More obvious reminders of that era are the villa on the Wannsee where the "final solution" was formalized in January 1942, at 56-58 Am Grossen Wannsee (Tuesday through Friday 10 to 6, weekends 2 to 6), and the Sachsenhausen Concentration Camp, a 45-minute train ride, at 22 Strasse der Nationen, Oranienburg (daily except Monday, 8:30 to 5:30).

Germany's painful recent history seems to intrude at every turn in Berlin. One prominent memorial is the Topography of Terror site, a large open space and small exhibition center surrounded by Niederkirchnerstrasse, Wilhelmstrasse and Anhalter Strasse in the former East Berlin. It covers the area once occupied by Gestapo headquarters and the SS offices. Access is limited because of building work, but it still produces a shudder. Open daily 10 to 6.

The walk along Unter den Linden takes the visitor from the gracious, classical architecture of imperial times, such as the churches of the Gendarmenmarkt, to the angular, concrete constructions of the Communist era. The broad boulevard leads from the Brandenburg Gate to the Alexanderplatz with its spirelike television tower.

It's a hike but it leads to such classic offerings as the Museum Island and the Pergamon Museum — with a magnificent array of antiquities that includes the Pergamon Altar and the monumental gate to the Roman market of Miletus. The Pergamon, at 1-3 Bodestrasse, is open Tuesday through Sunday, 9 to 5; admission $2.40.

Two relatively new galleries house private collections of modern art. The Berggruen collection — with 120 works by Picasso and other modernists — can be seen at 1 Schlossstrasse in the Charlottenburg district between 9 and 5 Tuesday through Sunday; admission $4.80.

Artists ranging from Warhol to Joseph Beuys and Cy Twombly are represented among the 180 paintings and sculptures in the Marx collection at the Museum of the Present at the Hamburger Bahnhof, 50 Invalidenstrasse. Open 9 to 5, Tuesday through Friday, and 10 to 5 weekends; admission $4.80.

THE FREQUENT TRAVELER

Perils and Joys of Globe-Trotting

By Roger Collis
International Herald Tribune

ROAD warriors of the millennium are ambivalent about globe-trotting. Travel has become part of the job for many people. Some crave the challenge, the adventure of the road and the break from daily routines. Others miss their families and worry about work piling up on their desks. (Executives get an average 11.6 e-mail messages and 10.4 voice-mail messages per day when they are out of the office.)

Taking off on a business trip used to mean getting away from it all. But corporate downsizing and new technology (which allows you to be wired at all times) has forced travelers to be more accountable and more productive when they're away. They are now expected to do two jobs — one on the road and one back in the office. For many, the most stressful part of business travel is the "re-entry syndrome" — catching up with family and work when they get home.

These are the findings of a survey, "Take Offs and Trade Offs: The Life of Today's Business Traveler," commissioned by Hyatt Hotels Corp. of 500 American executives, ranging from CEOs and presidents to managers and sales representatives. The average traveler was away more than 50 days a year while some logged close to 100 days a year on job-related travel.

There are several psychological types of traveler to choose from:

GLOBE-TROTTERS (17 percent of the sample) are sociable and outgoing. They love life on the road which they regard as an antidote to humdrum routines, relishing a break from the office (96 percent) and from home and regular life (90 percent). Compared with other groups, they are more likely to say they feel adventurous (67 percent) and that business travel makes them feel successful (95 percent), excited (87 percent) and important (69 percent).

Globe-Trotters are more likely than other groups to be single (25 percent versus 13 percent of all respondents) and female (29 percent) and least likely to have young children. A majority hit the hotel bar or lounge (51 percent), where they try to strike up conversations with people of the same sex (51 percent) and the opposite sex (44 percent). They are the most flirtatious group: Thirty percent say they enjoy flirting with strangers and 30 percent say they tend to think about sex more when on the road.

Four distinct types of traveler emerge from the survey of 500 American executives.

TORN TRAVELERS (a quarter of the sample) enjoy business travel and believe it is important for their career, but 94 percent have qualms about being away from home (65 percent have children under 18); 53 percent say they are homesick when they are away and two-thirds travel with family photos. But they also secretly welcome the break (59 percent) and are more likely than average to say they feel successful (91 percent) and important (two-thirds) when they are away on business.

Torn Travelers indulge in guilty pleasures when away from their families: Fifty percent say they spend more on things they would not normally buy at home. Close to three-quarters go off their diets when traveling and 39 percent (higher than average) say they drink more than at home. Perhaps this is because their families don't make life any easier for them — 72 percent say that they have to cope with complaints from family about their absence and one in 10 worries that business has harmed their marriage. Three in 10 say they would give up traveling if their career permitted.

SMOOTH SAILORS (15 percent of the sample) are travel veterans. Business travel is a way of life, an intrinsic part of their jobs and it neither bothers nor excites them. They are less likely to feel that business travel affects their health or diet and they tend not to pamper themselves when they are away. Thirty-seven percent say business travel is not at all stressful, and they are least likely to miss family (23 percent) or to believe that travel has adversely affected their personal lives. They are the oldest (average age 51), most experienced group — 43 percent have been traveling on business for more than 20 years. The majority (87 percent) are married, but fewer than average (30 percent) have children under 18.

WORLD WEARIES (24 percent of the sample) are the most stressed and reluctant travelers, finding business trips intrusive and disruptive to their lives. Sixty-eight percent say they would stop traveling on business if they could. Many feel burned out after having traveled on average for 14 years on business. More than 75 percent find the travel stressful and 57 percent say it is the least favorite part of their jobs.

World Wearies worry about family and work when they are away. They describe themselves as tired (92 percent), lonely (81 percent), homesick (77 percent) and tense (73 percent). They also seem to be the most accident-prone — 71 percent have had baggage lost, 34 percent have had an in-flight emergency, and 18 percent have had to go to the hospital.

World Wearies are the group most likely to say that technology has made business travel more stressful. They are more loaded down with electronics than other travelers — 64 percent carry laptops, and 59 percent, mobile phones.

ARTS AGENDA

AUSTRIA

VIENNA
Austrian Museum of Applied Arts (MAK), tel: (1) 711-36, closed Mondays. **Continuing/** To Sept. 7: "Japan Yesterday." Art from ancient Japan: cult objects from Buddhist temples, silk screens and pen-and-ink drawings.

BRITAIN

LONDON
Tate Gallery, tel: (171) 887-8000, open daily. **Continuing/** To Nov. 30: "Mondrian: Nature to Abstraction." More than 80 works tracing the artist's evolution from his early atmospheric paintings to full abstraction in the 1920s.

FRANCE

BORDEAUX
Musee des Beaux-Arts, tel: 05-56-10-17-18, closed Tuesdays. **Continuing/**To Aug. 29: "Rosa Bonheur, 1822-1899." Bonheur visited markets, slaughterhouses and fairs to study the animals she would later depict in her paintings. The exhibition brings together 64 paintings, 49 drawings and watercolors and 9 sculptures and will travel to Barbizon, near Paris, and New York.

GIVERNY
Musee d'Art Americain, tel: 02-32-51-94-65, closed Mondays. To Oct. 31: "Un Regard Americain sur Paris." More than 30 works by young American artists who came to study in Paris at the end of the 19th century. Features works by Mary Cassatt, James McNeill Whistler, Childe Hassam and Maurice Prendergast.

PARIS
Jeu de Paume, tel: 01-47-03-12-50, closed Mondays. **Continuing/** To Oct. 19: "Cesar: Retrospective." An overview of the French sculptor's work: from the welded animals and nudes to the compressions and expansions of the 1960s and '70s.

GERMANY

MUNICH
Kunsthalle der Hypo-Kulturstiftung, tel: (89) 22-44-12, open daily. To Sept. 14: "Markus Lupertz." An exhibition of pictures, drawings and sculptures by the German artist (born 1941). Although his work can be said to represent modernist styles, Lupertz does not abandon traditional subjects such as landscapes, still lifes and figures.
Neue Pinakothek, tel: (89) 559-1490, closed Mondays. To Aug. 31: "Durch die Blume: Natursymbolik um 1600." The use of naturalistic botanical detail developed north of the Alps, in Dutch panels, in 15th-century miniatures, in watercolors and in the prints of Durer and his school. Examples of these techniques are on display here.

ISRAEL

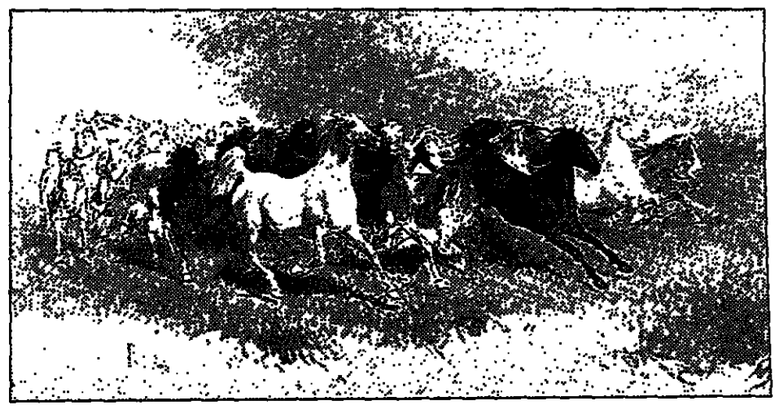
JERUSALEM
The Israel Museum, tel: (2) 670-8811, open daily. To Dec. 30: "Harold Edgerton: In a Flash." The inventor of stroboscopic photography, Edgerton (1903-1990) captured moments that are too fast or too complex for the eye to catch, such as a bullet piercing an apple or water splashing into a glass.

JAPAN

TOKYO
Hara Museum, tel: (3) 3445-0651, closed Mondays. To Oct. 12: "Araki Retrographs." The Japanese photographer (born 1940) captures the flavor of everyday life in street scenes and portraits, and at other times shocks the public with sexual images. "Sentimental Journey," exhibited here is a photographic narrative of the daily banalities of his married life.

NETHERLANDS

AMSTERDAM
Van Gogh Museum, tel: (20) 570-5200, open daily. Continuing/To Oct. 12: "Vincent van Gogh: The Drawings." Features drawings of peasants working on the land, women spinning and weavers, and landscape drawings created in Nuenen between 1883 and 1885.



Rosa Bonheur's "Course de Chevaux Sauvages" is part of the Bordeaux show.

SWEDEN

STOCKHOLM
Nationalmuseum, tel: (8) 666-4250, closed Mondays. **Continuing/** To Oct. 19: "Carl Faberge: Goldsmith to the Tsars." Some of the famous eggs, enameled caskets, picture frames as well as small animal sculptures and flowers by the jeweler and goldsmith to the czar in the last decades of the Empire.

SWITZERLAND

LAUSANNE
Fondation de l'Hermitage, tel: (21) 320-50-01, closed Mondays. **Continuing/** To Oct. 5: "Charles Camoin, 1879-1965: Sous le Signe de Cezanne et du Fauvisme." More than 100 landscapes, portraits and still lifes show the French painter's contribution to the development of Fauvism.

UNITED STATES

NEW YORK
Museum of Modern Art, tel: (212) 708-9480, closed Wednesdays. **Continuing/** To Sept. 2: "Objects of Desire: The Modern Still Life." Features 150 paintings, sculptures, and objects created by more than 70 artists, including Picasso and Matisse, the Surrealists, Pop artists and contemporary artists, such as Christo, Cindy Sherman and Dan Flavin.

WASHINGTON
National Museum of African Art, tel: (202) 357-2700, open daily. To Oct. 19: "Treasures from Tervuren." From the Belgian collection of Central African art assembled by government officials and missionaries, more than 120 objects of royal regalia, masks, figures that hold medicine and figures representing kings and chiefs. The exhibition will travel to New York, Dusseldorf and Barcelona.

CLOSING SOON

Aug. 16: "August Sander." **Gallery of Photography, Dublin.**
Aug. 17: "Warhol, Beuys; Bruce Nauman, Gerhard Richter." **Bank Austria Kunstforum, Vienna.**
Aug. 17: "Alberto Burri." **Palais des Beaux-Arts, Brussels.**
Aug. 17: "Marc Riboud in China: Forty Years of Photography." **Barbican Art Gallery, London.**
Aug. 17: "Rhapsodies in Black: Art of the Harlem Renaissance." **Hayward Gallery, London.**
Aug. 17: "The Rose Madonna and Other Masterpieces from Utrecht." **Museum of Foreign Art, Sinebrychoff, Helsinki.**
Aug. 17: "Sechziger Jahre: Die Neuen Abenteuer der Objekte." **Museum Ludwig, Cologne.**
Aug. 17: "Jasper Johns: A Retrospective." **Museum of Contemporary Art, Tokyo.**
Aug. 17: "Costumes de l'Opera de Paris." **Tokyo Metropolitan Teien Art Museum, Tokyo.**
Aug. 17: "Nan Goldin: I'll Be Your Mirror." **Stedelijk Museum, Amsterdam.**
Aug. 18: "Arts du Nigeria." **Musee National des Arts d'Afrique et d'Oceanie, Paris.**

INDIA ON SHOW

Two American museums are presenting exhibitions devoted to Indian history and culture:

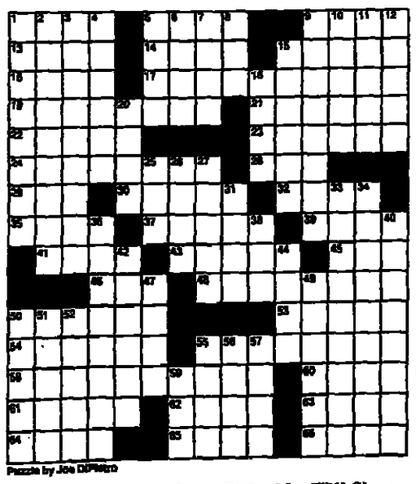
PHILADELPHIA
Philadelphia Museum of Art, tel: (215) 684-7860, closed Mondays. To Aug. 31: "India: A Celebration of Independence, 1947-1997." More than 250 photographs made in India since the proclamation of its independence in August 1947, including images by Sunil Janah, Cartier-Bresson and Sebastiao Salgado. The exhibition will travel to New Delhi and to London.

WASHINGTON
Sackler Gallery, tel: (202) 357-2700, open daily. In observance of the 50th anniversary of the independence of India and Pakistan, two exhibitions explore the rule of 17th-century Mogul emperor Shah Jahan, an extravagant patron of the arts who built the Taj Mahal as a tomb for his wife. To Feb. 1998: "The Jewel and the Rose." Paintings, textiles and objects created under the reign of Shah Jahan, as well as the 141-carat Taj Mahal emerald carved with a floral design. To Oct. 13: "King of the World: A Mughal Manuscript from the Royal Library, Windsor Castle." More than 40 pages from an illuminated manuscript that chronicles the first decade of Shah Jahan's reign.

CROSSWORD

ACROSS
1 Comes to pass
5 Sugar or starch, in slang
9 Present time
13 Tracy Marrow, familiarly
14 Apartment next to the super's, maybe
15 Sponge
16 Bumble Bee, e.g
17 Whence the phrase "to give the devil his due"
19 Not moving
21 Sawer of logs
22 Author with a book subtitled "The Saga of an American Family"
23 Dinner wear
24 Imposes without invitation
28 — Z (everything)
29 "You can't mean me!?"
30 Word of the Prophet
32 Retreat
35 Preceding periods
37 W.W. II enlistee
39 Refrigerator bar?
41 Many A.B.A. members
43 His last work was "Pocketful of Miracles," 1961
45 Get up and it's gone
46 Kind of delivery
48 Token
50 Succeeded
53 Like Cheerios
54 "Yoo-hoo!"
56 Maternity surprise
58 Birds Eye offering
60 Plaster base
61 Stores
62 A person might earn one for a score
63 Chinatania, today
64 Kind of dog
65 Fire
66 Break down

DOWN
1 Has real relevance
2 Slightly better than
3 Football coach's nightmare
4 Play maker
5 End piece
6 Betimes, updated
7 Tom
8 July 4th event, briefly
9 Letter signoff
10 Sculptor Henry
11 Didn't wait
12 Former N.H.L. coach Fred
15 Advertising unit
18 Singles' grp.?
20 Curly cue?
25 Utter failure, in slang
26 Davis of baseball
27 Exerciser of spin control?
31 "Don't think so"
33 Uncomfortable
34 Whistler
36 Tight
38 Middle of a famous palindrome
40 Nonunion workplace
42 Churchill Downs features
44 Par
47 Submachine gun
49 Jaundiced
50 Winter wear
51 Four before a slash
52 Wild Asian dog
55 Bibliophile's purchase
58 Tevere's city
57 Romantic interlude
59 Cousin of a tarboosh



Puzzle by Joe DiPietro

© New York Times/Edited by Will Shortz.

Solution to Puzzle of Aug. 14

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E	T	A	L		A	L	E	A	V	E		L	A	D
D	E	N	Y		Y	E	S	Y	E	S		E	D	S

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UTELL INTERNATIONAL

Mastermind Recalls Plot to Kill South African Communist

Far-Rightist Says Accomplice Acted Alone

By Suzanne Daley
New York Times Service

PRETORIA — The man convicted of masterminding the murder of one of South Africa's most popular black leaders on the eve of this country's transition to a multiracial democracy said that it took him 24 hours to realize that he had even been involved in the 1993 killing of Chris Hani.

The man, Clive Derby-Lewis, admitted that he had long plotted to kill Mr. Hani and had given his accomplice, Janusz Walus, an "untraceable" gun for the assassination. But the two men had agreed not to kill Mr. Hani over Easter weekend, and so, when Mr. Derby-Lewis heard that Mr. Hani had been gunned down in his driveway the day before Easter, he assumed it was someone else's doing.

After hearing of Mr. Hani's death, he and his wife finished their tea and went shopping for the afternoon.

"I thought that something had come to our rescue where we didn't have to do what I thought we had to do," Mr. Derby-Lewis told South Africa's Truth and Reconciliation Commission. "Then the following day I saw the papers, and I knew what had happened."

"Quite honestly, I was in a state of shock," he said.

Mr. Derby-Lewis's testimony before the commission Wednesday was the first time he had spoken of his role in the assassination, which sent shock waves through the country. Polls showed that Mr. Hani, at the time the leader of the Communist Party, which was working in a close alliance with African National Congress, was second only to President Nelson Mandela in popularity.

At his trial, Mr. Derby-Lewis, a former member of the far-right Conservative Party, had maintained his innocence and declined to take the stand. But Mr. Derby-Lewis is now applying for amnesty from the commission, which was created to investigate atrocities of the past, and for him to qualify, the commission must determine that he has confessed all and proved that he had a political motive for his actions.

His application is likely to be one of the commission's toughest decisions. The Hani family, the Communist Party and the African National Congress are fiercely opposed to freedom for either of the men involved in Mr. Hani's death. And so far, the hearings have been far better attended than most others.

They began on Monday, but much of the commission's time since then has been used up on legal wrangling over the admissibility of evidence the Hani family lawyer, George Bizos, would like to use to show that Mr. Derby-Lewis and Mr. Walus have not told the whole truth.

After still another delay Wednesday, Mr. Derby-Lewis apologized for the wrangling and said he was ready to go forward with the hearing.

Mr. Derby-Lewis said he and Mr. Walus had settled on Mr. Hani as a target because his death was most likely to plunge the country into chaos, allowing the right wing to seize power. He said he furnished Mr. Walus with Mr. Hani's address, which he had gotten from a list his wife had obtained while researching articles.

Juda Ngwenya/Reuters

Janusz Walus, left, and Clive Derby-Lewis, far right, standing before South Africa's Truth and Reconciliation Commission on Thursday in Pretoria, where they testified about the 1993 killing of Chris Hani, a Communist.

Pressed as to why certain people were on the list, Mr. Derby-Lewis' answers often elicited widespread laughter from the audience. For instance, one well-known Afrikaans-language newspaper editor had apparently been included on the list because he had studied at Harvard University where, Mr. Derby-Lewis said, he had undergone "systematic brain-washing."

He said that a former cabinet official on the list was an American spy. Still another editor, he said, was probably on the payroll of the Communists.

Mr. Derby-Lewis said he first got an unlicensed automatic pistol from a friend for his own protection. He said he had it fitted with a silencer during a trip to Cape Town.

On his return, Mr. Walus asked him for an untraceable weapon. The coincidence, Mr. Derby-Lewis said, made him think it was some sort of sign that he was doing the right thing in plotting Mr. Hani's assassination.

Acquittals For Murder Stir a Furor In Brasilia

By Diana Jean Schemo
New York Times Service

SAO PAULO — A federal judge in Brasilia has dismissed murder charges against four young men accused of dousing an Indian leader with gasoline and setting him on fire, saying they did not intend to kill him.

The decision outraged human rights activists, who said it demonstrated the impunity enjoyed by the upper-middle class and by politicians. One defendant is the son of a federal judge and another defendant's stepfather is a former judge of the electoral tribunal.

The victim, Galdino Jesus dos Santos of the Pataxo tribe in Southern Bahia, had traveled to Brasilia in April to join the largest demonstration ever in support of the rights of indigenous peoples.

Unable to find his rooming house after the demonstration, Mr. dos Santos, 44, fell asleep at a bus stop, where the young men set him on fire, the prosecutor said.

While the four young men — Max Rogerio Alves, Antonio Novely Cardoso de Vilanova, Tomas Oliveira de Almeida and Eron Chaves de Oliveira — and an unnamed minor admitted setting Mr. dos Santos on fire, their lawyers contended they were playing and did not realize the consequences of their actions.

The judge, Sandra de Santis Mello, agreed.

"As ignoble as the irresponsible conduct of those accused was, they did not want, not even eventually, the death of Galdino," the judge ruled Tuesday. "Fire can kill, which is what happened, but undoubtedly, that is not what normally happens."

Police reports and eight witnesses said that, seeing Mr. dos Santos asleep, the defendants went to a gas station and bought two liters of gasoline. They poured the fuel over Mr. dos Santos and threw a match at him, then fled by car. Witnesses took down their license numbers, and eventually they were tracked down.

Paulo Machado Guimaraes, one of several lawyers representing the victim's family and a coordinator of the Human Rights Committee of the Brazilian Bar Association, called the ruling "totally absurd."

"It serves the interests of a particular class in society," he said, "and the country sees that very clearly."

Jose Gregori, the federal secretary of human rights, said that he did not agree with the judge's decision and that he expected it would be overturned on appeal.

Judge Mello did not return repeated calls to her chambers Wednesday.

Maria Jose Miranda Pereira, the prosecutor in the case, vowed to appeal the judge's decision to reduce the charges from murder to bodily harm, which carries sentences of eight months to two years after automatic reductions.

"Bodily harm is the charge if somebody slaps another person, who falls down, bangs his head and dies," Miss Pereira said. "How could these kids imagine that a person in flames won't die?"

The prosecutor recalled a conversation with Judge Mello in which the judge described the boys as "good kids from working families."

"I guess what constitutes 'good' varies from person to person," Miss Pereira said she replied. The judge's answer, she said, surprised her.

She said the judge responded: "But they could be our kids. They fool around without understanding the consequences of what they're doing."

Saulo Feitosa, executive secretary of the Indigenist Missionary Council, described the judge smiling over photos of Max Alves with his dog at a pretrial hearing. "She said the dog was so cute, and that anybody who could love a dog so much had to be a good person," Mr. Feitosa said.

INDIA: *50 Years After Independence*

Continued from Page 1

the independence anniversary in Kaithwari. The village's 5,000 residents include a dominant minority of landowners, upper-caste families who still rule the roost, but it also has low-caste families who have found a small measure of prosperity that their families had never known. There is also a large block of families, at least a third of the village, who are still desperately poor.

Mr. Chand is an obvious case of success. The son of an illiterate cattle trader, he won a lower-caste scholarship from the government to attend college in Meerut, an old British garrison city close to this village in western Uttar Pradesh state, then returned home after graduation to set up his business. His income from the shop and running a village post office is $130 a month, a fortune to the village's poor.

But among Mr. Chand's neighbors, there are some who have never traveled outside the village, never used a telephone and never had anybody in their family who stayed in school long enough to learn to read or write.

In one muddy courtyard, a group of 25 Muslims, in rural India often poorer even than the poorest Hindus, said that the four generations of their family were living off a combined income of $50 a month, and that none of them had owned even a bicycle, a sewing machine or a radio, the first luxuries for India's poor.

For these villagers, the India of 1997 seems much too much like the India of half a century ago, a place where Gandhi's name is ritually invoked by politicians on great public occasions but where his memory is mocked by some of the realities of a country he did not live to see.

Although Gandhi was assassinated by a Hindu nationalist on Jan. 30, 1948, five months after independence, Indians everywhere still like to muse over what he would make of India if he were to return today.

Among the poorest in Kaithwari, there is a ready answer. "What is the mahatma to us today?" asked Mohammed Yunus, 48, who works in the fields for the upper-caste Hindus who own 90 percent of Kaithwari's land. Mr. Yunus said modern India was little different than the India of his forefathers.

"The mahatma brought us freedom, but after that, what?" he asked.

For many Indians, the answer to that question lies in accomplishments they say have been overlooked in the breast-beating the anniversary has provoked.

They hail three achievements in particular: the resilience of democracy despite a two-year lapse when Indira Gandhi assumed dictatorial powers in 1975; the country's success in feeding a population nearly three times larger than in 1947, and India's survival as a nation despite protracted insurgencies in the Punjab, Kashmir and the remote border states of the southeast.

"India can only be compared with India," argued Yogendra Singh, a sociology professor at Jawaharlal Nehru University in New Delhi, a sentiment shared by many of India's optimists. By that measure, there is much to celebrate.

"Poverty now is not at all what it was in 1947," said Mr. Singh, who grew up poor and low-caste in a village in Uttar Pradesh. "Then, 80 to 90 percent of the people had no proper clothing; now, almost everybody is properly dressed. Then, many people were emaciated; now, just about everybody gets two meals a day. Then, life expectancy was about 30, and it's more than 60 now. These are tremendous changes, so I don't think we have any reason to hang our heads."

Many Indians are particularly proud of the persistence of their democracy, and contrast their country with Pakistan, the nation carved out of British India when Muslim leaders demanded a separate state.

Although Pakistan has been ruled by elected governments for the last nine years, it has been under military dictatorship for nearly half of its half-century as a nation.

On the one occasion that Indian democracy was imperiled, Mrs. Gandhi's declaration of emergency and suspension of civil rights in 1975, voters outraged by the imprisonment of thousands of leading politicians and intellectuals turned on her in the 1977 general election and ousted the Congress Party from power for the first time since it led the independence struggle.

In recent years, a wave of corruption and criminality in Indian politics has caused some Indian commentators to say that democracy is facing a new and more insidious peril. In the assemblies of many of the 25 Indian states, and even in the Parliament in New Delhi, the independence generation has been replaced by a breed of ambitious and acquisitive politicians, some little more than gangsters.

For years, hardly a day has passed without a scandal involving a politician accused of selling favors. More than a dozen cabinet ministers who served in the Congress Party are under investigation for corruption, including a former prime minister, P.V. Narasimha Rao.

In Bihar state, India's poorest, the low-caste, politician who headed the state's government until he was arrested last month, Laloo Prasad Yadav, has been jailed on charges of scamming $280 million from the state's animal husbandry funds.

While each scandal swallows money that might have gone to developing the country, some have had a direct impact on everyday life. Millions of Indians are paying the price for a decision in the early 1990s to rebuild the country's telephone system.

Telecommunications Minister Sukh Ram, a former postal clerk who rose through Congress Party ranks, awarded contracts for a $40 billion scheme that was to have brought the country 10 million new phones, more than double the number then installed, by the end of the decade.

But according to investigations that began after the Rao government's defeat in a general election last year, Mr. Ram rigged the bidding process and took large sums in payoffs.

In the wake of the scandal, the project to modernize the country's antiquated telephone system has effectively stalled, with not a single new handset anywhere to show for the plans announced by Mr. Ram.

Even shadows like these have not persuaded most Indians that democracy itself is at fault, only that abuses are inevitable with an electorate of nearly 600 million people, half of them illiterate.

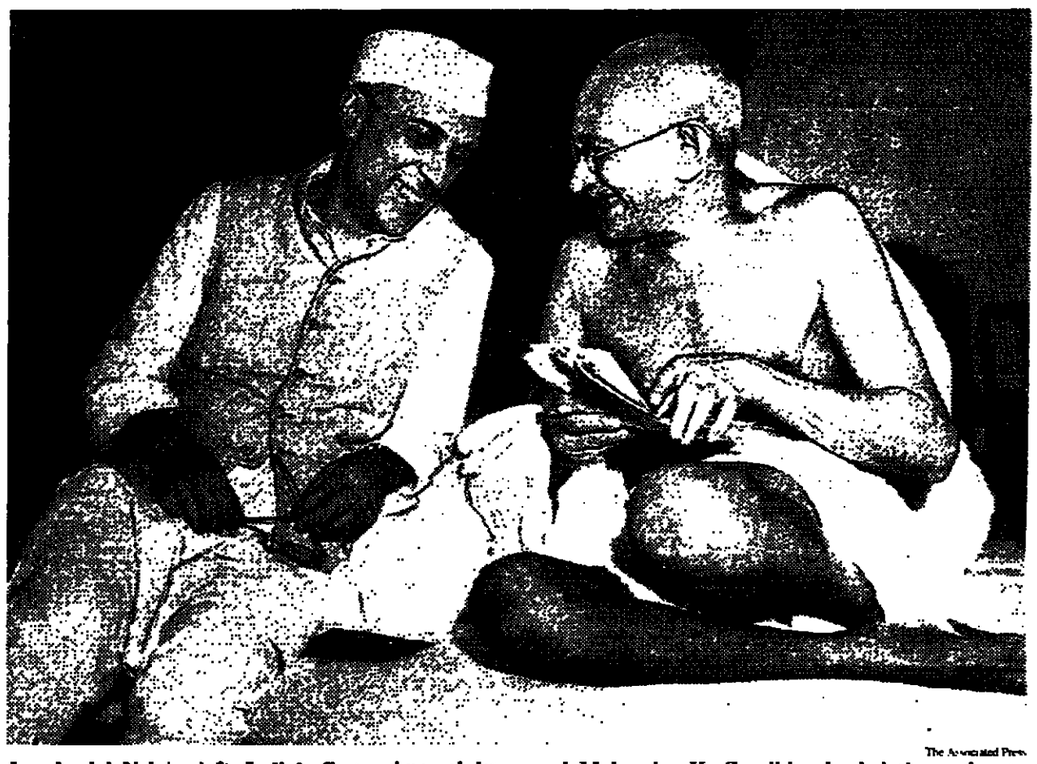
Some say that political trends that have ended the Congress Party's role as India's natural ruling elite have produced new political forces, and that some of these, including such low-caste parties as Mr. Laloo's in Bihar, have been under pressure to generate slush funds that can be used to bind the parties together and give their leaders a lifestyle their followers can admire.

Others say that India's greatest triumph is simply that it still exists. In British times, half of the country consisted of nearly 600 princely states, mostly ruled by maharajahs under British control. While most of these states were successfully integrated soon after independence, strong separatist tendencies have pulled at the country's seams, setting off a series of ethnic, religious and linguistic insurgencies. So far, none has succeeded, and few Indians expect that any will.

"You must remember that people were writing books in the 1950s and 1960s asking whether India could survive," said M.J. Akbar, a biographer of Nehru who is the founding editor of The Asian Age, a new newspaper that has quickly become one of India's most influential.

"In 1947, it was very difficult to see how a seething mass of hungry and mostly illiterate people could keep this nation together. But now, the country's survival is taken for granted. You hardly hear anybody questioning it anymore."

While views like these are widely held, the official mood at the anniversary has been heavily influenced by the skeptics. The government of Prime Minister Inder Kumar Gujral has deferred the placement of a statue of Gandhi on Rajpath, the ceremonial avenue at the heart of New Delhi, expressing reluctance to have Gandhi, the apostle of nonviolence, installed where he would stare down an avenue used every January for a military parade.



The Associated Press

Jawaharlal Nehru, left, India's first prime minister, and Mohandas K. Gandhi, who led the nation to independence, laughing together at the All-India Congress committee meeting in Bombay on July 6, 1946.

But many say that erecting a statue would be hypocrisy anyway, since the country, in their view, has betrayed Gandhian ideals.

Among these is Khushwant Singh, 82, an author and columnist who covered the independence struggle and wrote "Train to Pakistan," a novel that gave a searing account of the 1947 partition.

Resisted by Gandhi to the last, the division resulted in the migration of at least 10 million Hindus and Muslims across the new frontier, and as many as 500,000 of them, according to Mr. Singh's estimate, being killed in the bloodletting that ensued.

Those passions have not abated; Mr. Singh spoke from the apartment where he has lived under armed guard since the 1980s, when he angered Sikh militants with articles condemning a separatist insurgency in his native Punjab.

"Gandhi gave the world an illusion that all Indians were like him, inspired by a missionary concern for nonviolence and the plight of the poor," he said. "But I'm sad to say that it has turned out that hardly any of us are."

Government surveys offer plentiful ammunition for such dismal views: the 350 million Indians who live below the official poverty line; the 48 percent of the population who are illiterate; the 100 million city-dwellers living in vast, dismal slums known as *jhuggis*, where homes are mostly structures of metal and timber scrap; the 70 percent of Indians with no access to toilets; the 30 percent with no supply of safe water, and the millions who fall victim every year to rates of infant mortality, diarrhea, tuberculosis, malaria and AIDS that are among the highest in the world.

Conditions like these contribute heavily to a culture of violence that some Indians say is the country's worst failure. Outside India, the best-known example has been the cycle of riots between Hindus and Muslims, about 8,000 of which have been recorded since 1947. But far more Indians have died from other causes.

In big cities like Bombay, thousands of murders go unsolved, and for the most part barely investigated, every year. In the villages, the situation is much the same. According to Indian human rights groups, 5,000 women are killed every year in disputes over dowries, mostly by men, but only a handful of cases ever result in convictions.

"As a 16-year-old in Bombay in 1947, I felt there was nothing to stop India from doing whatever it wanted," said S.L. Rao, an economist who has been an key adviser on the economic reforms of the 1990s. "But the fact is, we haven't delivered the people of India what we promised. We are far, far behind, and our only choice is to admit it, buckle down, and see what we can accomplish in the next 50 years."

At first glance, visitors to Kaithwari could think that little in the village has changed from 50 years ago. Buffaloes wander down cobbled pathways. In the sunlight after the rains, old men draw quietly on hookahs, the brass water pipes that are traditional in rural India. At street-corner pumps, young girls giggle as they wash shoulder-length hair. Barefoot children scamper, chasing goats, while Muslim women move silently along lanes gathering buffalo dung for fuel.

But villagers are eager to list the things that have improved. For some, it is the paving of once-muddy roads leading to Meerut, 15 miles (24 kilometers) away; for others, the villages' three schools, with enrollments accounting for 90 percent of all village children; for others still, electricity that flows three or four hours on most days, long enough to power pumps that irrigate fields, raise water from wells, and power television sets that many better-off villagers now own.

"When we sit in our homes at night, we see pictures on our television sets of the rich man's life, with cars, refrigerators, air-conditioners, everything we don't have," said Mohammed Rafiq, 28, a Muslim who makes his living selling vegetables.

Mr. Rafiq held out what he said was his most treasured possession, a watch he bought for 120 rupees, about $3.40.

And then he added: "So naturally we think: Why is it that God caused us to be born here? Is it our fate to live always as we do?"

BRIEFLY

13 Slain in Kenya Attacks

MOMBASA, Kenya — Armed men raided two police stations here, stole firearms and killed 13 persons, the police said Thursday. Six of those killed were police officers. Scores of people were wounded in the attack.

The state-owned Kenya Broadcasting Corp. reported that about 100 attackers also burned down the Likoni police station as well as a large container used as an office by a police unit charged with protecting tourists in this Indian Ocean port. It reported the raiders carried off relatives of police officers in the attack Wednesday night, but gave no numbers.

A police spokesman, Peter Kimanthi, who flew in from Nairobi, said it was too soon to say whether the attackers' motives were criminal or political. Mombasa is the gateway to Indian Ocean resorts. *(AP)*

10 Italians Seized in Yemen

ROME — Ten Italians have been abducted in two separate incidents in Yemen, the Italian Foreign Ministry said Thursday.

A ministry official said a two-family group of six persons was kidnapped in the south of the country on Wednesday afternoon while on their way to the Gulf of Aden coast. He said they had been taken to the interior of the country. "We have spoken to one of them and they are well, they are being treated well," he said.

The official said four more Italians were kidnapped near Khamir, some 100 kilometers (60 miles) north of San'a, on Thursday morning, but he said he had no further details.

The incident was the third of its kind in recent weeks. An Italian kidnapped by tribesmen earlier in August was released last Sunday after several days. Two other Italian tourists were abducted in late July and freed after one day. *(Reuters)*

Rioting in Johannesburg

JOHANNESBURG — The police arrested more than 100 rioting street peddlers in Johannesburg's inner city Thursday after they broke shop windows and smashed trading stalls in a second day of anti-foreigner protests.

A police spokesman, Captain John Du Toit, said several hundred hawkers marched through the city center to protest against foreign vendors, especially Nigerians, trading in the city.

Captain Du Toit said the marchers, who began their protests Wednesday, "went on harassing immigrant hawkers and causing damage" to trading stalls until large numbers of police descended on them.

Eight arrests were made in the center and more than 100 arrests in the neighboring inner city suburb of Yeoville, Captain Du Toit said.

On Wednesday, police and rioters clashed several times in downtown Johannesburg and a number of rubber bullets were fired. At least six of the rioters were arrested. *(AFP)*

Tanzania Bus Crash Kills 14

DAR ES SALAAM, Tanzania — Fourteen people died and 51 were seriously injured in a road accident involving three buses in Tanzania, news reports said Thursday. The accident occurred Wednesday when one bus was overtaking another and collided head-on with a third bus traveling in the opposite direction, police said. The crash was in the Morogoro region, 200 kilometers (125 miles) west of the capital Dar es Salaam. *(AFP)*

RWE Set To Reduce Cities' Role

Utility's Stock Rises On News of Plan

Compiled by Our Staff From Dispatches

FRANKFURT — RWE AG's share prices soared Thursday after the company announced plans to eliminate the 58.9 percent voting rights that municipalities hold in Germany's largest utility.

RWE, the most heavily traded share, rose 7 Deutsche marks to close at 87 ($47.06).

The plan, which must be approved by shareholders at the company's annual meeting in December, calls for converting registered shares with multiple voting rights into bearer shares with single voting rights. The actual number of shares will be unchanged.

"There have been similar offers in the past, and the municipalities have rejected them every time," Peter Antes, analyst at Bayerische Vereinsbank AG in Munich, said.

The multiple voting rights held by the municipalities have long been viewed by analysts as an obstacle to institutional and private investors seeking to buy RWE shares.

Mr. Antes said that as far as he knew, Germany was the only country in the European Union that had such a system in place, adding that with the deregulation of the European electricity market the utilities would probably have to change to be in line with the other countries.

"But it will still not be so easy," he said. "The local authorities have hitherto held many management positions at RWE and have always tried to put the brakes on any change."

Under the proposed model, announced late Wednesday, holders of preference shares would have the option to convert their shares into common stock with a simple voting right, and would have to pay a conversion premium.

This premium would be passed on to the holders of registered shares in compensation for the loss of their multiple voting rights.

The implementation of a restructuring of the voting rights requires shareholder approval, RWE said.

Helga Balensiefer, analyst at DG Bank, welcomed the announcement, saying "the proposal sounds very intelligent because everyone gets something."

She added, "The local authorities get cash to bolster their cash-strapped finances, and the preference shareholders get to buy voting rights for a premium."

Mr. Antes said: "The financial distress of the municipalities has increased considerably. If the municipalities are financially compensated for giving up their voting rights, they are likely to go along with it."

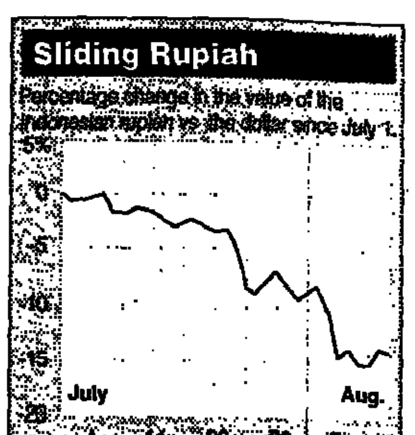
Even though local authorities own less than 30 percent of RWE's shares, the voting rights give them the power to place many of their representatives on management and supervisory boards. In addition, they have prevented the utility from cutting costs.

"If the plan does go through, I would see it as positive for RWE in the long term," Mr. Antes said. "Many of the municipalities have representatives in the RWE leadership who act from a civil-servant point of view.

"If they lose influence, RWE would become more efficient in the long term."

While the news bodes well for the future and offers short-term speculative buying opportunities, Mr. Antes rated the move as neutral to the market. He said he would not change his recommendation "until details of the offer become clear."

(AFX, Bloomberg, Reuters)



Enny Nuraheni/Reuters

I Gede Putu Ary Suta, left, chairman of Bapepam, Indonesia's capital-markets supervisory agency, conversing with the governor of the central bank, Sudradjat Jiwandono, in Jakarta on Thursday.

Indonesia Lets Its Currency Float

With Rupiah Under Attack, Jakarta Abandons Trading Band

By Philip Segal
Special to the Herald Tribune

HONG KONG — Following the lead of its Southeast Asian neighbors, Indonesia's central bank abandoned efforts to control the level of its currency Thursday, eliminating a 12 percent fluctuation band against the dollar that speculators had punctured twice in the previous two days.

While the governor of the central bank, Sudradjat Jiwandono, said he reserved the right to intervene in the market from time to time, as do central banks elsewhere, he indicated that a new era had dawned for the foreign-exchange markets of the region.

"We are adjusting to the new realities," he said, adding that these included the floating of currencies in the countries belonging to the Association of South East Asian Nations.

The rupiah lost 4 percent of its value against the dollar during the day as the U.S. currency rose to 2,762.50 rupiah from 2,650.00 rupiah Wednesday. It traded as high as 2,789.50 after the Indonesian announcement, which also hurt the stock market. The Jakarta Composite Index fell 2.37 percent, to 643.01.

In the Philippines, meanwhile, the peso fell as much as 2 percent after having stabilized in recent weeks. It fell on the news about the rupiah as well as a four-percentage-point drop in the Philippine central bank's overnight rate. The currency has been weak since Manila loosened its support last month after Thailand's decision to float the baht. The dollar closed at 29.20 pesos, up from 28.90.

The announcement by Indonesia came just a day after the central bank pledged to continue to defend the currency and put into effect a one-percentage-point increase in interest rates that failed to halt the rupiah's slide.

Analysts have applauded the general shift to floating exchange rates in Indonesia and across Southeast Asia.

"This is the new Asia, but it's good news, not bad news," an economist at a European securities house said. "If you hold your currency steady versus the dollar, you give up the right to run your own economy."

Alan Butler-Henderson, head of research at ING Barings in Hong Kong, said: "Will it make things more unpredictable for investors? Yes, currency volatility in Asia does make for a new element. But compared to the European currencies, those in Asia haven't been nearly as weak this year."

In the past year, the Deutsche mark has fallen by around 20 percent against the dollar, and the French franc has lost 24 percent, while the Malaysian ringgit has dropped 11 percent and the Philippine peso 12 percent.

The rupiah — like other Southeast Asian currencies — began falling after the de facto devaluation of the Thai baht July 2, as local and foreign speculators focused on similar if less severe economic problems across the region: big current-account deficits and rapid loan growth in the property sector. The Indonesian central bank has spent $1.5 billion over the past six weeks in its efforts to prop up the currency, a third of that on Wednesday alone.

Now that the currencies of Malaysia, the Philippines, Thailand and Indonesia are floating free of currency pegs and trading bands, economists predict that they will find steadier levels within the next two months, but they say that markets tend to overshoot what eventually are proven to be fundamental values.

"At some stage sooner or later people are going to realize the rupiah is an awfully cheap currency and buy it," said Arup Raha, strategist at Lehman Brothers. He praised Indonesia's economic managers for having kept inflation under control, the current-account deficit manageable and economic growth robust.

Ultimately, say economists, currencies hold their value not because of a nominal rate fixed by a central bank but because their countries' economies remain competitive. "The key is deregulation, not managing currencies," said Clive McDonnell, economist at Soc-Gen-Crosby Securities in Hong Kong. "If you want to be more competitive, you have to deregulate."

In the meantime, although there will be no attempt to keep the rupiah within its previous 12 percent trading band, Finance Minister Mar'ie Muhammad said Indonesia would maintain a tight monetary policy to keep the currency from falling too quickly. Indonesia's overnight interbank interest rate surged 16.5 percentage points, to 36 percent.

Angus Armstrong, regional economist for Deutsche Bank in Singapore, predicted recovering exports across Asia next year as more competitive currencies found their market levels and allowed governments to cut interest rates. That will mean lower borrowing costs and better corporate profits, he said.

U.S. Consumer Prices Climb at Snail's Pace

But Stock Market Still Has Jitters

Compiled by Our Staff From Dispatches

WASHINGTON — U.S. consumer prices are rising at their slowest pace in 11 years, while the economy continues to grow at a rate that is likely to keep the Federal Reserve Board from increasing interest rates for some time to come, government figures showed Thursday.

"When you wrap it all up, it means all is well on the American scene," said Robert Dederick, an economic consultant at Chicago's Northern Trust Co. "Growth is sedate, and inflation is very much in check."

The consumer price index rose 0.2 percent in July, the Labor Department said. Increases in food, transportation and housing costs outpaced a decline in energy prices — and it was the first time health-care costs did not show a monthly increase in almost 22 years.

While July's increase in the CPI was larger than June's 0.1 percent rise, it translated into a 1.5 percent annual increase for the first seven months of this year — the smallest rise for that period since 1986, down from a 3.4 percent increase in the first seven months of 1996.

Separately, the Federal Reserve said industrial production slowed to a 0.2 percent increase in July from June's 0.3 percent rise. The July gain was in line with expectations, and the plant-use rate — another gauge of inflationary pressures — declined to 83.1 percent in July from 83.3 percent a month earlier.

Bond prices advanced in response to the economic data. The Treasury's benchmark 30-year bond rose 28/32 to 97 21/32, pushing down the yield to 6.55 percent from 6.63 percent Wednesday.

But the stock market continued to gyrate. After a morning rally, the Dow Jones industrial average spent most of the day in negative territory but closed 13.71 points higher at 7,942.03.

The Standard & Poor's 500-stock list was up 2.75 at 924.77. The Nasdaq Composite Index rose 3.27 to 1,586.67.

"We are just seeing a little nervousness in the market ahead of the Fed meeting next Tuesday," Barry Berman, head trader for Robert W. Baird & Co.

The Commerce Department figures showed inventories of goods at U.S. businesses rose 0.7 percent in June to a seasonally adjusted $1.026 trillion. It was sixth consecutive monthly increase and is the largest since a 0.8 percent gain in April 1995.

The inventory buildup "has crucial negative implications for economic growth in the second half," said Bruce Steinberg, chief economist at Merrill Lynch in New York. Because inventories were larger than the Commerce Department assumed in its first gross domestic product estimate for the second quarter, "inventory building will be revised enormously higher," Mr. Steinberg said.

The increase in inventories could be as much as $95 billion, he said, which would be a record rate of inventory accumulation and a boost to second quarter GDP. As a consequence, though, this large level of unsold goods "will drag down GDP and production growth" in the second half of the year, Mr. Steinberg said.

The Labor Department also said weekly claims for state unemployment benefits rose 12,000 to 316,000 last week, in line with expectations.

U.S. workers' average weekly earnings adjusted for inflation and seasonal variations fell 1.0 percent in July, after rising a revised 0.8 percent in June. Average weekly hours worked decreased in July from June.

Lucent Technologies rose 1 11/16 to 84¼ after it said it expected to take a fourth-quarter charge of $950 million,

See DATA, Page 14

Hixon Gold Shares Plunge On Charge of Faked Tests

Bloomberg News

VANCOUVER, British Columbia — Hixon Gold Resources Inc.'s shares plunged more than 90 percent Thursday after a three-month trading halt was lifted, a day after the company's Ghana gold results were alleged to have been falsified.

Hixon shares, which traded at 6.40 Canadian dollars ($4.59) on May 14 before being halted by the Vancouver Stock Exchange, changed hands at 57 cents at midday Thursday when trading was stopped, after having dropped as low as 41 cents.

On Wednesday, a consultant's report was highly critical of initial claims of high gold values at a property in Ghana owned by Hixon and Golden Rule Resources Ltd. In its review, the Alberta-based Associated Mining Consultants Ltd. said it had been unable to reproduce the results first claimed by Golden Rule and Hixon. Golden Rule owns about 41 percent of Hixon. Each Calgary-based mining company owns 50 percent of the Stenpad property in Ghana.

"By a process of elimination, based on information reviewed to date, it would seem that sample tampering is the most probable cause of the reported high values," Associated Mining said.

Golden Rule shares fell 19 cents to 91 cents in midday trading in Toronto. Unlike Hixon, Golden Rule had not been suspended from trading for any extended period.

Golden Rule's shares soared to 13.80 dollars in late January after the company reported what analysts called spectacular initial drilling results. Hixon shares rose at the time to 13.95 dollars.

But Golden Rule's stock lost almost half its value after a mining consultant reported in mid-May that there was less than a gram (0.03 ounce) of gold per metric ton of ore in an area of the property it had checked, compared with the 16 grams claimed by Golden Rule and Hixon. Trading in Hixon shares were halted before the release of this first report.

Golden Rule's stock fell to 85 cents in mid-July after the company said its own review of its initial results had found them "unreliable."

The incident was another setback for Canada's mining industry. This year, Bre-X Minerals Ltd.'s claims of having made the world's largest gold discovery in Indonesia were proved to be a fraud.

Associated Mining did not say who might have been involved in the alleged tampering.

Doubts Plague Credit Suisse's Stock

Bloomberg News

ZURICH — Credit Suisse Group's shares have fallen 10.7 percent this week amid doubts that its multibillion-franc acquisition of Winterthur Insurance AG will bring significant benefits.

Switzerland's second-largest bank said Monday that it would offer 7.3 Credit Suisse shares for each Winterthur share. That valued the offer for Switzerland's second-biggest insurer at 13.3 billion francs ($8.79 billion). But the value has fallen about 1 billion francs as Credit Suisse shares have declined.

The acquisition would create a company with total assets of 700 billion francs and the same amount under management, Credit Suisse said Monday, and would generate savings of between 300 million and 350 million francs within three years. That estimate that disappointed some analysts.

"People are asking whether this whole thing makes sense," says Hans Kaufmann, an analyst at Bank Julius Baer. "Is it worth it for synergies of 300 or 350 million francs?"

Credit Suisse fell 4 francs to 186.25 in a falling Swiss market Thursday, bringing its decline to 10.7 percent since the takeover was announced. Winterthur fell 44 francs to 1,372, bringing its decline to 9.4 percent. The benchmark Swiss Market Index fell 4.8 percent in the same period.

Credit Suisse follows other financial companies in expanding their range of services to try to become more competitive. ING Group, the largest Dutch financial company, said last month it would buy Equitable of Iowa Cos. for $2.6 billion, doubling its U.S. life insurance and retirement saving business.

The jury is still out, however, on whether such mergers of insurers and banks into one-stop financial services make bottom-line financial sense.

"The idea of cross-selling seems to be a type of black magic," said Ian McEwen, an analyst at Lehman Brothers. "If you look at deals in the past, it's hard to pinpoint why they succeed and why they don't."

Analysts say the popular comparison with ING does not make sense in Credit Suisse's case because the Dutch financial company generates about 55 percent of pretax profits with insurance, whereas insurance makes up only 20 percent of Credit Suisse Group and Winterthur's profit before tax.

Investors say they are not convinced the concept of one-stop financial shopping is really the answer to boosting profitability significantly.

"Although what the companies are after is asset management, they're still two different businesses in the end," said Daniel Hunziker, a financial manager at Union Bank of Switzerland.

Winterthur's biggest shareholder, the Swiss financier Martin Ebner, said last week he told Winterthur earlier this year he was aiming for a majority stake in the insurer. Mr. Ebner said his funds and clients held "about 30 percent" of Winterthur.

WALL STREET WATCH

Fast Footwork in the Wake of IPOs

By Floyd Norris
New York Times Service

NEW YORK — D.H. Blair Investment Banking, a New York-based securities firm that has promoted itself as the top underwriter of new stock issues among small companies, has based its reputation on the performance of its issues after they begin trading.

On Wednesday, a firm associated with Blair agreed to pay a $2 million fine and to reimburse customers $2.4 million for overcharging them during the first few days of trading in such issues.

NASD Regulation, the regulatory arm of the National Association of Securities Dealers, announced the fine against D.H. Blair & Co., the brokerage arm of the D.H. Blair complex.

The charges, which D.H. Blair & Co. settled without admitting or denying guilt, said the firm had charged excessive mark-ups in selling securities to its clients in the days after 16 initial public offerings underwritten by D.H. Blair Investment Banking in 1993 through 1995. In addition, D.H. Blair was accused of pushing up prices of two 1994 offerings, in Skyline Multimedia and Video Update, even though it did not have orders to indicate there was demand for the securities.

The regulators said the price appreciation had provided an artificial profit for selected customers.

In a statement issued Wednesday, D.H. Blair said the issues were "very complicated" and that settling the case would permit the company to save time, expense and the "distraction of a legal battle which could have taken years."

The statement went on to say that D.H. Blair "provides public venture capital for growing companies and in so doing offers investors outstanding investment opportunities."

At least in most of the cases cited by the NASD, however, the investment opportunities have been better for those who got out fast than for those who invested for the long term. While all 16 issues traded above the initial offering price in the first few days, investors in 11 of the 16 have losses now, and those losses are much greater cumulatively than the profits in the five others — and that has happened in one of the greatest bull markets ever.

D.H. Blair Investment Banking is owned by the firm's longtime boss, J. Morton Davis, whose office declined to comment. D.H. Blair & Co. is owned by Mr. Davis's family and by executives of the firm, a spokesman said. The two firms were separated in 1992.

D.H. Blair is unusual in that it has been selling low-price stocks to the public for decades, and those who learned the business there have gone on to set up other firms that sought the same kind of business. Some of those firms, including A.R. Baron and F.N. Wolf, have gone out of business amid accusations of improper conduct by regulators or prosecutors.

Joseph Borg, the director of the Alabama Securities Commission, said, "Individuals involved with D.H. Blair found their way into a number of broker-dealers that are suspect with respect to sales practices, particularly involving initial public offerings."

But the firm had relatively little by way of regulatory problems until last year. In December, it was censured by the New York Stock Exchange for having failed to put into place methods of supervising brokers, and it was fined $250,000.

■ Mrs. Gingrich Turns a Profit

Marianne Gingrich, the wife of Newt Gingrich, speaker of the House of Representatives, has made a quick killing in small stock dealings, and the owner of the underwriting firm for her trades reportedly is a big contributor to Mr. Gingrich's political action committees, The Associated Press reported Thursday from Washington.

D.H. Blair Investment Banking underwrote the initial public offerings in three highly speculative stocks from which Mrs. Gingrich made between $5,203 and $11,000 in three months last year. A spokesman for the Gingriches was not available for comment.

The firm is owned by J. Morton Davis, an acquaintance of Mrs. Gingrich and a big contributor to her husband's political action committees, Money magazine reports in its September issue. It also reported that at the time of Mrs. Gingrich's profitable trades, Mr. Davis was lobbying lawmakers for a tax break for investors who put money into the type of small companies underwritten by his firm.

CURRENCY & INTEREST RATES

Cross Rates

Aug. 14

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.0785	3.297	1.1264	0.3341	0.1152*	—	5.4545*	1.3457	1.3655*	1.4935	1.3325*
Brussels	37.995	79.75	20.651	6.127	2.2116*	18.33	—	25.82	0.3254	27.295	24.4975*
Frankfurt	1.834	2.91	—	0.2966	0.1023*	0.8878	4.8435*	1.2113	1.5742*	1.319	1.1807*
London (a)	1.5867	—	2.9292	9.8713	2,863.76	3.2996	60.4612	2.4058	187.0561	2.2072	247.5800
Madrid	155.267	245.663	84.536	25.077	8.647*	75.044	4.0976	102.486	131.139*	111.783	—
Milan	1,811.40	2,863.80	979.00	290.20	—	868.60	47.411	1,188.75	15.373	1,308.48	11.566
New York (b)	—	1.5910	1.8387	6.2025	1,790.00	2.0719	38.02	1.5163	117.85	1.3986	155.20
Paris	6.1917	9.7965	3.3711	—	0.3469*	2.9926	0.1632	4.087	5.2093*	4.4645	3.9875*
Tokyo	115.80	183.71	63.15	18.72	0.646	56.87	3.0596	76.69	—	83.19	0.7460
Toronto	1.3914	2.21	0.756	0.2242	0.0774*	0.6712	0.3663*	0.9166	1.1797*	—	0.8995*
Zurich	1.5219	2.4126	0.8245	0.2447	0.0843*	0.7325	3.9924*	—	1.2925*	1.0936	0.9755*
1 ECU	1.0926	1.6779	1.9781	6.6413	1,925.92	2.2192	40.684	1.655	125.888	1.4989	166.555
1 SDR	1.3565	0.8582	2.4879	8.3992		2.8066	51.35	2.8539	157.886	n.q.	710.642

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York rates at 4 P.M. and Toronto rates at 3 P.M.
a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	288.29	Mex. peso	7.77	S. Afr. rand	4.673
Australian $	1.3441	Hong Kong $	7.7464	N. Zealand $	1.5584	S. Kor. won	894.80
Austrian sch.	12.917	Hung. forint	198.20	Norw. krone	7.7244	Swed. krona	8.0258
Brazil real	1.0856	Indian rupee	35.715	Phil. peso	29.20	Taiwan $	28.73
Chinese yuan	8.3116	Indo. rupiah	2658.00	Polish zloty	3.49	Thai baht	31.35
Czech koruna	33.99	Irish £	0.692	Port. escudo	186.09	Turkish lira	162990.
Danish krone	6.9943	Israeli shek.	3.535	Russ ruble	5802.00	UAE dirham	3.671
Egypt. pound	3.3923	Kuw dinar	0.3049	Saudi riyal	3.75	Venez. boliv.	494.00
Fin. markka	5.4954	Malay. ring.	2.77	Sing. $	1.5175		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5815	1.5795	1.5777	Japanese yen	115.99	115.56	114.98
Canadian dollar	1.3876	1.3852	1.3827	Swiss franc	1.5096	1.5040	1.4990
Deutsche mark	1.8318	1.8279	1.8244				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

Aug. 14

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5½ - 5⅝	3⅟₁₆ - 3⅛	1⁵⁄₁₆ - 1⁷⁄₁₆	6⅞ - 7⅛	3³⁄₁₆ - 3⁵⁄₁₆	⁷⁄₁₆ - ½	4¼ - 4⅜
3-month	5⁹⁄₁₆ - 5¹¹⁄₁₆	3³⁄₁₆ - 3⁵⁄₁₆	1⅜ - 1½	7⅛ - 7¼	3¼ - 3⅜	½ - ⁵⁄₈	4⁵⁄₁₆ - 4⅜
6-month	5⁹⁄₁₆ - 5¹¹⁄₁₆	3³⁄₁₆ - 3⅜	1½ - 1⅝	7³⁄₁₆ - 7⁵⁄₁₆	3⅜ - 3½	½ - ⁵⁄₈	4½ - 4⅝
1-year	5⅞ - 6	3⁷⁄₁₆ - 3⁹⁄₁₆	1¹¹⁄₁₆ - 1¹³⁄₁₆	7⁷⁄₁₆ - 7⁹⁄₁₆	3⁹⁄₁₆ - 3¹¹⁄₁₆	⁹⁄₁₆ - ¹¹⁄₁₆	4⅜ - 4½

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	5⁹⁄₁₆	5⁹⁄₁₆
90-day CDs dealers	5.61	5.62
180-day CP dealers	5.52	5.50
3 month Treasury bill	5.19	5.17
1-year Treasury bill	5.26	5.31
2-year Treasury bill	5.89	5.93
5-year Treasury note	6.14	6.19
7-year Treasury note	6.20	6.26
10-year Treasury note	6.29	6.36
30-year Treasury bond	6.56	6.63
Merrill Lynch 30-day RA	5.12	5.13
Japan		
Discount rate	0.50	0.50
Call money	0.41	0.41
1-month interbank	0.49	0.49
3-month interbank	0.55	0.55
6-month interbank	0.58	0.58
10-year Govt bond	2.33	2.37
Germany		
Lombard rate	4.50	4.50
Call money	3.12	3.15
1-month interbank	3.17	3.17
3-month interbank	3.26	3.26
6-month interbank	3.40	3.40
10-year Bund	5.81	5.72

Britain	Close	Prev
Bank base rate	7.00	7.00
Call money	7⅛	7³⁄₁₆
1-month interbank	7⅛	7⅛
3-month interbank	7³⁄₁₆	7³⁄₁₆
6-month interbank	7⁵⁄₁₆	7⁵⁄₁₆
10-year Gilt	7.05	7.07
France		
Intervention rate	3.10	3.10
Call money	3³⁄₁₆	3³⁄₁₆
1-month interbank	3¼	3¼
3-month interbank	3⅜	3⅜
6-month interbank	3½	3½
10-year OAT	5.59	5.60

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

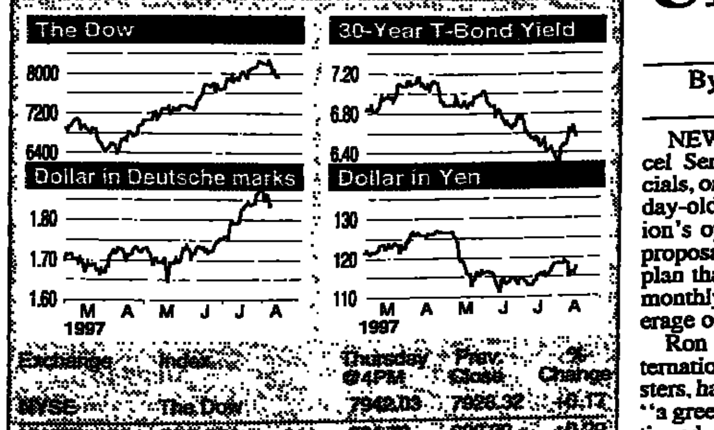
	A.M.	P.M.	Ch'ge
Zurich	327.10	325.90	—2.35
London	327.30	326.15	—0.05
New York	330.50	328.00	—2.60

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)

Source: Reuters.

THE AMERICAS

Investor's America



Exchange	Index	Thursday @4PM	Prev. Close	% Change
NYSE	The Dow	7942.03	7928.32	+0.17
NYSE	S&P 500	924.78	922.02	+0.29
NYSE	S&P 100	897.16	896.03	+0.13
NYSE	Composite	479.65	478.42	+0.26
U.S.	Nasdaq Composite	1586.65	1583.28	+0.21
AMEX	Market Value	640.38	641.08	-0.11
Toronto	TSE Index	6769.30	6795.19	-0.51
São Paulo	Bovespa	11862.08	11761.82	+0.94
Mexico City	Bolsa	5006.01	5007.28	-0.05
Buenos Aires	Merval	839.82	838.69	+0.13
Santiago	IPSA General	5606.93	5594.26	+0.26
Caracas	Capital General	9287.01	9273.73	+0.14

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

CUC to Buy Hebdo Mag of France

STAMFORD, Connecticut (Bloomberg) — CUC International Inc. said Thursday that it had agreed to buy Hebdo Mag International Inc. of France, a publisher and classified-advertising distributor, for $440 million in stock.

Hebdo Mag, a privately held firm in Paris, has more than 150 titles in 12 countries. It is managed by its founders, Louise and John McBain, who own 50 percent of the voting stock and 92.6 percent of the nonvoting stock.

Torstar Corp. of Canada owns the other 50 percent of the voting stock and the remaining 7.4 percent of the nonvoting shares. CUC said the acquisition would be an important addition to its stable of consumer services, which include discount clubs to sell airline tickets, cars, appliances and insurance.

In May, CUC agreed to merge with HFS Inc., a hotel, property and car-rental group, in an $11.4 billion stock swap.

• **Cali Realty Corp.** said it had agreed to buy the office assets of **Mack Co.** and **Patriot American Office Group**, both private real-estate concerns, in a $1.2 billion transaction.

• **Tuesday Morning Corp.**, the Dallas-based retail chain that sells discounted designer-label merchandise, agreed to be bought by **Madison Dearborn Partners** for about $325 million, or $25 a share.

• **Sprint Corp.** plans to scale back its plan to compete with the regional U.S. telephone companies in offering local phone service because the Baby Bells have made it difficult to resell calling time on their networks.

• **Gap Inc.**, the clothing retailer that operates Gap, Old Navy and Banana Republic stores, said earnings for the quarter that ended Aug. 2 rose 6 percent, to $70 million, as sales increased 20 percent, to $1.35 billion.

• **Woolworth Corp.** said its second-quarter profit was flat from a year earlier, at $26 million, as both sales and costs fell.

Bloomberg, Reuters

UPS Strike Puts Teamsters in a Tight Spot

By Steven Greenhouse
New York Times Service

NEW YORK — To United Parcel Service of America Inc. officials, one of the mysteries of the 11-day-old Teamsters' strike is the union's opposition to the company's proposal to set up a new pension plan that UPS says would increase monthly pension benefits by an average of 50 percent.

Ron Carey, president of the International Brotherhood of Teamsters, has denounced the proposal as "a greedy pension grab" and questioned the company's assertions that pension benefits would increase significantly under its offer.

The company has called for setting up a UPS-only pension plan and withdrawing from 31 multiemployer Teamster pension plans across the United States.

[The Teamsters and United Parcel Service resumed informal talks late Thursday, and the company suggested that there was room for compromise, The Associated Press reported from Washington.

[If the informal talks yield progress, UPS's chief, James Kelly said, the company was willing to begin formal negotiation on a contract that would be substantially different from what UPS has insisted was its "last, best and final" offer.

["There are dozens of important, very serious issues that have not been resolved," he said. "If they're all resolved, we all recognize that some of them would change."]

The company's proposal has placed Mr. Carey in a tight spot in the strike by 185,000 UPS workers. On the one hand, labor analysts say, many strikers are attracted to the company's proposal and may be seething if Mr. Carey rejects it.

On the other hand, many Teamsters not working for UPS might want his head if he lets the company withdraw from multiemployer plans because they fear that if UPS, the plans' largest contributor, pulls out it will weaken the plans and jeopardize their pensions.

"Carey's in a real jam," said Jeffrey Sonnenfeld, a professor at Emory University who serves as a UPS consultant. "It's definitely: Which poison does he take?"

At Labor Secretary Alexis Herman's urging, the two sides resumed talks in Washington on Thursday. The pension issue, along with the company's widespread use of part-time workers, were expected to be at the top of agenda.

In some ways, the tug of war over pensions goes to core notions about union solidarity — the dispute pits the interests of the 185,000 Teamsters at UPS against the interests of hundreds of thousands of Teamsters at other companies.

This helps explain why the union asserts that the company's heavy use of part-time workers is the main issue in the strike, while Teamsters officials acknowledge that the UPS pension proposal is a deal-breaker, a central obstacle to a settlement.

The union, labor specialists say, insists that low-paid part-time workers are the overriding issue because the Teamsters know that that issue resonates with its members and the public. The company insists that pensions are the main issue, they say, because it recognizes that it is losing public relations points over the part-time issue, while its pension proposal sells well with many of its workers.

Each year UPS pays more than $1 billion into the multiemployer plans — about one-sixth of the total contributed by all the trucking companies belonging to the plans. The plan's $60 billion in assets are used to pay benefits to retired Teamsters.

UPS executives said that a full-time driver from the Midwest who had worked 30 years would receive $2,500 a month in pension benefits under the Central States multiemployer plan but would receive $3,000 under the company's rejected proposal.

The company said with a UPS-only plan it could pay higher benefits with the same amount of contributions because it had helped subsidize benefits received by non-UPS workers in the multiemployer plans.

The Teamsters' rank and file generally favor multiemployer plans because those who move from one trucking job to another can remain in the same plan. In addition, the plans provide some insurance because if a Teamster's trucking company goes out of business, contributions from other companies will help pay pension benefits.

"If UPS is allowed to pull out, it would be a signal for other employers that they could pull out, too," said Gregory Tarpinian, executive director of the Labor Research Association, a New York-based group that serves as a consultant to many unions.

"That doesn't look so bad when the stock market is rising, but it's terrible if the stock market falls," he said. "The whole purpose of multiemployer plans is to pool the risk. It would result in a wholesale shift of the risk from employers to workers."

Mr. Carey has repeatedly raised doubts that the Teamsters' pensions would rise as much as UPS promises under its plan. He contends that the company is demanding the shift to its plan because it wants to control it and siphon money from it whenever a boom in investment income creates a surplus.

"The company's interest," Mr. Carey said, "is to get its hands on the investment income and funnel that back into their pockets, not back into the funds for the participants, for the members who worked hard."

UPS officials say that Mr. Carey's criticism of their plan is overheated rhetoric. Federal regulations, they maintain, prevent companies from taking a pension fund's surplus for their own use.

Latest Cuts at Apple Show Steve Jobs Is in Control

The Associated Press

CUPERTINO, California — Citing the "egalitarian, entrepreneurial" heritage of Apple Computer Inc., the company's cofounder Steve Jobs is axing sabbaticals, ending cash bonuses for executives and cutting severance pay.

Mr. Jobs, who has become Apple's de facto leader, announced the changes in an electronic mail memo to employees Tuesday.

The memo, signed "Steve and the Executive Team," also calls for more modest travel arrangements and more layoffs.

The message, reported by newspapers and on-line publications, is the latest evidence that Mr. Jobs is essentially running the company he cofounded 21 years ago — despite his refusal to be chairman or chief executive officer.

Apple has been struggling against financial losses, disappointing sales and an eroding market share. Last month, the board of directors ousted its chairman, Gil Amelio, and last week Apple replaced most of its board and announced an alliance with Microsoft Corp.

"Today we are taking a few more steps which will begin to take Apple back to its roots as a more egalitarian, entrepreneurial company," Mr. Jobs said in the memo. Apple, he said, would end cash bonuses for executives, replacing them with stock options, and reduce severance pay from one month to one week of salary for every year at Apple.

DATA: *Consumer Prices Climb Slowly*

Continued from Page 13

or about $1.47 a share, for the purchase of Octel Communications. The company also said goodwill related to the acquisition would reduce Lucent's profit by 5 cents a share a year over seven years.

Oil drilling companies fell on speculation that profits may decline.

U.S. STOCKS

The tumble came after Unocal decided to use a less costly drilling rig from Global Marine in the Gulf of Mexico, Yves Siegel, an analyst at Smith Barney, said. Schlumberger fell, Global Industries, and Cooper Cameron dropped.

Retailers gained after reporting strong earnings. Kmart climbed 1 3/16 to 12 15/16 after it said profit from continuing operations rose 35 percent to $31 million on strong sales of housewares, home decorating items and cosmetics. Gap rose after it reported earnings of 26 cents a share, also better than forecast.

Berkshire Hathaway rose $100 to $44,700 after it said second-quarter net income jumped 45 percent because of strong earnings at its Geico Corp. insurance unit, a dividend payment from US Airways Group Inc. and the inclusion of earnings from recently acquired FlightSafety International Inc. The holding company controlled by the investor Warren Buffett reported net income of $277.8 million for the quarter, or $225 a share, compared with $191.2 million, or $159 a share, a year earlier. *(Bloomberg, AP)*

To Our Readers

Wednesday's editions contained U.S. stock prices from 2 P.M. instead of the close because an international telecommunications line was cut off by bad weather. The line has been restored.

Dollar Gets Lift From Economic Reports

Bloomberg News

NEW YORK — The dollar rose against the yen and other major currencies after U.S. economic reports showed the economy was still growing without generating much inflation.

"The economy is strong, and growth differentials with Japan and Germany are huge," said Ramon Bauza, a senior foreign-exchange salesman at BankBoston. "That's going to keep the dollar strong."

FOREIGN EXCHANGE

The dollar's rise against the yen was also fueled by expectations that weaker Southeast Asian currencies would hurt Japanese competitiveness and that regional problems might distract the Japanese government from reviving its own sluggish economy.

The dollar was at 117.850 yen in 4 P.M. trading, up from 115.655 yen a day earlier, and at 1.8397 Deutsche marks, up from 1.8345 DM. It also climbed to 1.5163 Swiss francs from 1.5115 francs and to 6.2025 French francs from 6.1870 francs. The pound was at $1.5910, up from $1.5835.

Some traders said that in coming days the dollar could break the recent high of 1.8905 DM it reached Aug. 6.

"The dollar has a good chance to come back up again," said Hans Boman, a trader at Swedbank. "Nothing has changed fundamentally in the economy. It's right on track."

The Indonesian rupiah's tumble, meanwhile, and the decline in other Southeast Asian currencies could hurt the competitiveness of Japanese exports, traders said.

"The Indonesian situation has reminded people that Japan will lose out to the Asian economies that have devalued their currencies," said Chris Iggo, a currency strategist at Barclays Bank. "That could have a negative implication for Japanese economic growth."

AMEX

Thursday's 4 P.M. Close
The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
ARC	777	[illegible]	[illegible]	[illegible]	[illegible]
ARM Fn n	542	[illegible]	[illegible]	[illegible]	[illegible]
ASR Inv	138	[illegible]	[illegible]	[illegible]	[illegible]
AirWat	5681	[illegible]	[illegible]	[illegible]	[illegible]
AHoages	464	[illegible]	[illegible]	[illegible]	[illegible]
AlldRsh	153	[illegible]	[illegible]	[illegible]	[illegible]
Alphgld	276	[illegible]	[illegible]	[illegible]	[illegible]
AmdAl	7227	[illegible]	[illegible]	[illegible]	[illegible]
Amaecn n	186	[illegible]	[illegible]	[illegible]	[illegible]
AmBiltrd	96	[illegible]	[illegible]	[illegible]	[illegible]
AIM 84	130	[illegible]	[illegible]	[illegible]	[illegible]
AIM 85	99	[illegible]	[illegible]	[illegible]	[illegible]
ATechC	146	[illegible]	[illegible]	[illegible]	[illegible]
Ampex	1939	[illegible]	[illegible]	[illegible]	[illegible]
Andec n	507	[illegible]	[illegible]	[illegible]	[illegible]
Andrea	4471	[illegible]	[illegible]	[illegible]	[illegible]
Apogee	283	[illegible]	[illegible]	[illegible]	[illegible]
AppleOrl n	130	[illegible]	[illegible]	[illegible]	[illegible]
ArzaoH	113	[illegible]	[illegible]	[illegible]	[illegible]
AstLang s	1641	[illegible]	[illegible]	[illegible]	[illegible]
Astrotc	157	[illegible]	[illegible]	[illegible]	[illegible]
AtlTele	116	[illegible]	[illegible]	[illegible]	[illegible]
Andvax	7120	[illegible]	[illegible]	[illegible]	[illegible]
AmerEl	280	[illegible]	[illegible]	[illegible]	[illegible]
Avlalde	380	[illegible]	[illegible]	[illegible]	[illegible]
Azco	194	[illegible]	[illegible]	[illegible]	[illegible]
BAT Ind	945	[illegible]	[illegible]	[illegible]	[illegible]
BFX Hosp	213	[illegible]	[illegible]	[illegible]	[illegible]
Baker	374	[illegible]	[illegible]	[illegible]	[illegible]
Baldw	3043	[illegible]	[illegible]	[illegible]	[illegible]
Boyou	149	[illegible]	[illegible]	[illegible]	[illegible]
BemaGold	1666	[illegible]	[illegible]	[illegible]	[illegible]
BioR A	108	[illegible]	[illegible]	[illegible]	[illegible]
BlondT	372	[illegible]	[illegible]	[illegible]	[illegible]
BogenC	122	[illegible]	[illegible]	[illegible]	[illegible]
Bashell	918	[illegible]	[illegible]	[illegible]	[illegible]
Bowne	722	[illegible]	[illegible]	[illegible]	[illegible]
Brandyw s	1011	[illegible]	[illegible]	[illegible]	[illegible]
BrillDig n	441	[illegible]	[illegible]	[illegible]	[illegible]
CFX Cp	170	[illegible]	[illegible]	[illegible]	[illegible]
CMI	244	[illegible]	[illegible]	[illegible]	[illegible]
Cablvsn	552	[illegible]	[illegible]	[illegible]	[illegible]
Cablvs pf	543	[illegible]	[illegible]	[illegible]	[illegible]
Cambior	125	[illegible]	[illegible]	[illegible]	[illegible]
CdnOccl g	1023	[illegible]	[illegible]	[illegible]	[illegible]
CanyonRs	178	[illegible]	[illegible]	[illegible]	[illegible]
Caremtn n	228	[illegible]	[illegible]	[illegible]	[illegible]
CelSci	179	[illegible]	[illegible]	[illegible]	[illegible]
CFCda g	320	[illegible]	[illegible]	[illegible]	[illegible]
ChadThr	380	[illegible]	[illegible]	[illegible]	[illegible]
ChaseCp	464	[illegible]	[illegible]	[illegible]	[illegible]
Citicinc	112	[illegible]	[illegible]	[illegible]	[illegible]
Cognitrn	322	[illegible]	[illegible]	[illegible]	[illegible]
CalLb	556	[illegible]	[illegible]	[illegible]	[illegible]
Coalhoe	968	[illegible]	[illegible]	[illegible]	[illegible]
Coninc g	784	[illegible]	[illegible]	[illegible]	[illegible]
CinclAld	122	[illegible]	[illegible]	[illegible]	[illegible]
CrdaKp	383	[illegible]	[illegible]	[illegible]	[illegible]
CrdrA wt	290	[illegible]	[illegible]	[illegible]	[illegible]
CompTcn	126	[illegible]	[illegible]	[illegible]	[illegible]
CrmpMan	1105	[illegible]	[illegible]	[illegible]	[illegible]
Coalbourne	360	[illegible]	[illegible]	[illegible]	[illegible]
CareMatr	482	[illegible]	[illegible]	[illegible]	[illegible]
Cross	637	[illegible]	[illegible]	[illegible]	[illegible]
CmCP B	324	[illegible]	[illegible]	[illegible]	[illegible]
ecCrwnL	227	[illegible]	[illegible]	[illegible]	[illegible]
CubAm	196	[illegible]	[illegible]	[illegible]	[illegible]
Crystalx gs	3139	[illegible]	[illegible]	[illegible]	[illegible]
Cubic	266	[illegible]	[illegible]	[illegible]	[illegible]
Cycomm	681	[illegible]	[illegible]	[illegible]	[illegible]
DI Ind	2203	[illegible]	[illegible]	[illegible]	[illegible]
DakotaM	150	[illegible]	[illegible]	[illegible]	[illegible]
DeviHd	111	[illegible]	[illegible]	[illegible]	[illegible]
Datamri	767	[illegible]	[illegible]	[illegible]	[illegible]
Datamrc	226	[illegible]	[illegible]	[illegible]	[illegible]
DaytonMn	253	[illegible]	[illegible]	[illegible]	[illegible]
DeriAmer	258	[illegible]	[illegible]	[illegible]	[illegible]
DevtE	159	[illegible]	[illegible]	[illegible]	[illegible]
Diagni	248	[illegible]	[illegible]	[illegible]	[illegible]
DigiCT	344	[illegible]	[illegible]	[illegible]	[illegible]
DigPwr n	1204	[illegible]	[illegible]	[illegible]	[illegible]
Diodes	142	[illegible]	[illegible]	[illegible]	[illegible]
Dixon	105	[illegible]	[illegible]	[illegible]	[illegible]
EZ Serv	173	[illegible]	[illegible]	[illegible]	[illegible]
EchoBay	3860	[illegible]	[illegible]	[illegible]	[illegible]
Eskimo	150	[illegible]	[illegible]	[illegible]	[illegible]
ElPaoE	756	[illegible]	[illegible]	[illegible]	[illegible]
EmerR	238	[illegible]	[illegible]	[illegible]	[illegible]
EmpCor	149	[illegible]	[illegible]	[illegible]	[illegible]
Envirdyn	1988	[illegible]	[illegible]	[illegible]	[illegible]
EuroBil	482	[illegible]	[illegible]	[illegible]	[illegible]
Espey	96	[illegible]	[illegible]	[illegible]	[illegible]
FFP	454	[illegible]	[illegible]	[illegible]	[illegible]
FemTel	779	[illegible]	[illegible]	[illegible]	[illegible]
FemHlth	264	[illegible]	[illegible]	[illegible]	[illegible]
FiAmE	3672	[illegible]	[illegible]	[illegible]	[illegible]
FCnH	123	[illegible]	[illegible]	[illegible]	[illegible]
ForstLb	6123	[illegible]	[illegible]	[illegible]	[illegible]
FortHaR	325	[illegible]	[illegible]	[illegible]	[illegible]
Forum	138	[illegible]	[illegible]	[illegible]	[illegible]
FrktSel	115	[illegible]	[illegible]	[illegible]	[illegible]
FreqEl	265	[illegible]	[illegible]	[illegible]	[illegible]
GST Tele	2286	[illegible]	[illegible]	[illegible]	[illegible]
GanesE	158	[illegible]	[illegible]	[illegible]	[illegible]
GayICo	457	[illegible]	[illegible]	[illegible]	[illegible]
Genesr s	92	[illegible]	[illegible]	[illegible]	[illegible]
GnAuto	285	[illegible]	[illegible]	[illegible]	[illegible]
GenDr	158	[illegible]	[illegible]	[illegible]	[illegible]
GelchGld	832	[illegible]	[illegible]	[illegible]	[illegible]
GiantFd	458	[illegible]	[illegible]	[illegible]	[illegible]
GiantI	637	[illegible]	[illegible]	[illegible]	[illegible]
Globlnk	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GoVideo	5479	[illegible]	[illegible]	[illegible]	[illegible]
GldStar R	563	[illegible]	[illegible]	[illegible]	[illegible]
GldFld	400	[illegible]	[illegible]	[illegible]	[illegible]
Granham s	265	[illegible]	[illegible]	[illegible]	[illegible]
Greyhnd	1816	[illegible]	[illegible]	[illegible]	[illegible]
echnHRF	114	[illegible]	[illegible]	[illegible]	[illegible]
HalEP	773	[illegible]	[illegible]	[illegible]	[illegible]
Halsey	132	[illegible]	[illegible]	[illegible]	[illegible]
HallwdR n	317	[illegible]	[illegible]	[illegible]	[illegible]
HangOr	245	[illegible]	[illegible]	[illegible]	[illegible]
HanvDir	1579	[illegible]	[illegible]	[illegible]	[illegible]
Hans wtB	1739	[illegible]	[illegible]	[illegible]	[illegible]
Hanken	429	[illegible]	[illegible]	[illegible]	[illegible]
Hasbro s	6893	[illegible]	[illegible]	[illegible]	[illegible]
HawAir	275	[illegible]	[illegible]	[illegible]	[illegible]
Hearx	3063	[illegible]	[illegible]	[illegible]	[illegible]
Helco	178	[illegible]	[illegible]	[illegible]	[illegible]
HelmRes	129	[illegible]	[illegible]	[illegible]	[illegible]
HmeVil n	313	[illegible]	[illegible]	[illegible]	[illegible]
Hondo	95	[illegible]	[illegible]	[illegible]	[illegible]
HospH	149	[illegible]	[illegible]	[illegible]	[illegible]
HrzPhm n	289	[illegible]	[illegible]	[illegible]	[illegible]
HongTel	248	[illegible]	[illegible]	[illegible]	[illegible]
ICH	104	[illegible]	[illegible]	[illegible]	[illegible]
IMH Cml	407	[illegible]	[illegible]	[illegible]	[illegible]
Identix	353	[illegible]	[illegible]	[illegible]	[illegible]
ImpCAMg	582	[illegible]	[illegible]	[illegible]	[illegible]
ImpOil g	222	[illegible]	[illegible]	[illegible]	[illegible]
Inotron	225	[illegible]	[illegible]	[illegible]	[illegible]
IntegTc n	123	[illegible]	[illegible]	[illegible]	[illegible]
IntegTc wt	100	[illegible]	[illegible]	[illegible]	[illegible]
InfoSys	90	5⅞	5¾	5¾	—
InterDig	2016	6 1/16	5⅞	5 15/16	+1/16
Intmagn	219	10¾	10½	10⅝	+⅛
IntlAbtS n	235	8¼	7¾	7 15/16	-⅛
IntCombd	339	8⅝	8⅛	8¼	-⅛
IRIS	103	3¼	3 1/16	3¼	+⅛
Intrsystm	180	2⅛	1 15/16	2 1/16	-1/16
IonLaser	1244	5½	5	5⅛	-⅜
IvaxCp	4248	9⅛	8 15/16	9⅛	-⅛
JTS Corp	7475	9/16	½	½	—
JanBell	102	2⅝	2½	2½	
KFX Inc	210	3	2¾	3	+⅛
KatzM	459	10½	10 5/16	10 7/16	+⅛
Kaneb s	497	59 9/16	59¼	59¼	-⅜
KeyEng	1441	22⅞	20⅞	22⅜	+⅛
KogrEq	488	19½	19⅜	19⅜	-⅛
KogEq wt	363	11⅜	11¼	11⅜	—
Kaag	782	6¼	5⅞	6¼	
LXRBiot	557	1⅞	1 13/16	1 13/16	-⅛
Lafarg	451	5¾	5⅝	5⅝	-⅛
Lancer s	292	17¼	16½	17⅛	+⅝
Landaur	165	24⅜	24	24⅜	+⅛
LitfldAd	180	⅝	½	½	-⅛
MDC g	110	6⅜	6¼	6⅜	+⅛
MagnHunt	651	5½	5	5½	+⅛
Maxtion	347	5	4⅝	4⅝	-⅜
MaxinPh	547	9½	8⅞	8⅞	+⅛
Maxxam	124	59¾	57½	57½	-1½
MeasSpd	153	3⅜	3¼	3⅜	-¼
MedcR	256	10 9/16	10⅜	10½	-⅛
Media	473	36¼	35⅞	36⅛	+⅛
MediaLog	317	1 15/16	1⅞	1 15/16	+⅛
Medq	287	8	8	8	+⅛
Medlax	264	⅞	½	⅞	—
MercAir s	118	6⅝	6⅜	6⅝	—
Meteor n	298	5⅞	5½	5⅝	-⅛
Metrika n	95	14 9/16	14 7/16	14½	-⅛
Metropda	1068	11⅜	11	11⅛	-⅛
MidcstEn	178	18½	18⅜	18⅜	+½
MilwLnd	108	10⅛	9⅝	10	-⅛
MissnW s	109	4⅜	4⅜	4⅜	-⅛
MSNk 97wt	1962				—
MunEn	182	9½	9⅜	9½	+⅛
Muwest	598	9½	9⅜	9½	—
NTNCom	646	3	2¾	2 15/16	—
Nabors	8498	30¼	28⅞	29⅞	-⅛
NBcsTX	258	17	16¾	17	+⅛
Neophrm s	217	5	4⅞	5	+½
Nalmed n	134	5¾	5½	5⅝	-⅛
NY Times	6168	46½	45 9/16	46⅛	+⅛
NA Vacc	178	19⅜	19⅛	19 3/16	-⅛
Novanx	227	4⅝	4 7/16	4⅝	+⅛
Nstor n	593	2⅛	2 1/16	2⅛	-⅛
NCAPI	316	13 9/16	13⅜	13½	+⅛
NGAPI	100	14⅜	14¼	14⅜	+⅛
OSullvnC	157	10⅜	10¼	10⅜	+⅛
OmniMult	539	⅞	13/16	⅞	—
Oncor	825	4½	4⅜	4⅜	—
Oncormed	94	7 3/16	6⅞	7	-⅛
Organgn s	486	17 3/16	16⅝	16 13/16	-⅛
OshTE n	312	23 5/16	23½	23⅝	-⅛
PLC Sys	1239	13	12½	12⅝	-⅛
PacPharm	226	1⅜	1⅛	1⅛	-⅛
PanAmC n	344	7⅝	7⅜	7 7/16	-⅛
PoscoC	277	12½	12⅜	12 7/16	+⅛
PegGld	2288	5⅛	4⅞	5⅛	—
PenRE	100	26⅛	25⅞	26	-⅛
PeopleTel	1716	3⅝	3⅜	3½	+⅛
Pixtel	1916	2	1⅞	1⅞	-⅛
Phonetel	401	1⅞	1⅜	1 7/16	-⅛
Polymed	610	11	10 13/16	10⅞	—
Polyph	794	1 11/16	1½	1⅝	+⅛
Polyvun	137	⅞	¾	⅞	-⅛
PortSys	168	3 15/16	3½	3½	-⅛
PrpdLg	3798	22⅞	22	22⅛	-1⅝
Pricell s	583	8⅞	8⅜	8 9/16	+⅛
ProActv	201	⅞	13/16	13/16	-1/16
PsycCp	112	7½	7⅜	7½	+⅛
PIGMT3	95	13⅛	13	13⅛	+⅛
QC Opt n	314	4 9/16	4⅜	4⅜	—
RF Pow	1517	5⅝	5⅜	5⅝	—
ReaGold	284	9/16	½	9/16	+1/16
Relac	155	11⅛	10 15/16	11	-⅛
Riviera	135	13⅜	13	13⅜	+½
RivieraT n	189	6⅜	6⅛	6⅜	+⅛
RobertsPh	825	10 9/16	10 5/16	10⅜	—
RoyalO g	1795	1 9/16	1⅜	1 7/16	—
RoyceM pf	202	26	25⅞	25⅞	—
SC Bcp	190	13 13/16	13⅝	13⅝	-⅛
SabaPet s	2058	17⅛	15⅞	16⅛	-1⅜
SagaCm s	535	20⅜	20⅛	20⅜	—
SFeGp pf	541	¼	¼	¼	+⅛
SMonBl	96	27 13/16	27	27⅝	-⅛
Selas s	163	12⅛	11⅞	12⅛	-⅛
Sellcom	117	12⅜	12¼	12⅜	+⅛
ShelldPhm	263	2 9/16	2 7/16	2½	—
SilverFds	958	⅝	½	⅝	+⅛
SndBin	288	10½	10¼	10¼	-¼
SoBwd	161	6 9/16	6½	6½	+⅛
ScoutsClb	284	5⅞	5⅝	5⅝	—
SPDR	32232	93 15/16	91 15/16	92 15/16	+⅝
SP Mid	1166	61 15/16	60⅞	60 29/32	-⅛
Stephan	129	11 15/16	11⅝	11 15/16	+⅛
SterHous	134	25⅜	25¼	25⅜	-⅛
SterlItA	599	2⅛	1 15/16	1 15/16	-⅛
StlWstM	564	21¼	20⅝	21¼	+⅛
StratCp n	345	13⅛	12⅝	12⅞	-⅛
SelectAbes	343	⅝	9/16	⅝	—
Sellcs	187	1 9/16	1⅜	1½	-1/16
SunriT	212	11 9/16	11 7/16	11 9/16	+⅛
Sportsld	441	9⅛	9	9⅛	+⅛
TSF	134	38⅛	37⅞	38⅛	+⅛
Team	98	3⅜	3¼	3⅜	-⅛
TelDta	3623	39⅞	38	39⅝	+⅞
TeeBiotch	553	5	4 13/16	4 15/16	-⅛
TexBi wt	166	1 1/16	1	1	-⅛
Thermed	1166	17	16½	16 15/16	+⅛
TlrCardio	198	20⅛	19⅜	19⅞	-⅛
ThmFib	428	11⅛	11	11⅛	+⅛
Thrtnst	937	25⅝	25⅜	25⅝	—
TlrSpect	114	11⅜	11¼	11¼	-⅛
TlrVoll s	171	6½	6¼	6½	+⅛
Thrmotx	889	13⅞	13⅝	13⅞	-⅛
Thrmotr	127	22½	22⅜	22⅜	+⅛
Tippery	113	4⅜	4 5/16	4⅜	+1/16
TopSrce	463	1 9/16	1⅜	1 9/16	+⅛
TotlPet	309	10⅛	10	10	-⅛
TWA	3357	7⅝	7 7/16	7½	+⅛
Transmon	783	15 15/16	15⅝	15⅞	-⅛
TriMdNed	198	13⅛	12 15/16	13⅛	+1
TrnTech	101	6⅛	6	6⅛	—
Tubmax	2259	18⅜	18	18¼	-⅛
USFGP	173	17½	17¼	17⅜	+⅛
UTI Eng	331	66¾	63	63	-3⅜
Unitroe	1859	30¾	29⅛	29 15/16	[illegible]
Unilab	424	1 15/16	1¾	1⅞	—
Unimar	487	4⅞	4 11/16	4 11/16	—
UnigMbl	843	7⅛	6⅞	6 15/16	-⅛
USBiosci	872	9⅞	9⅝	9 11/16	—
US Cell	220	30 11/16	30½	30⅝	—
UsaqRV	746	8	6¾	7¾	+⅞
VKSeS	141	11 9/16	11 7/16	11 9/16	+⅛
Viacom	234	30⅝	30	30⅝	+⅛
ViacB	5484	30½	30⅛	30¼	+⅛
Vicon	126	6½	6⅜	6⅜	+⅛
VideoG g	740	½	½	½	—
Vitronic	281	1⅛	1 1/16	1⅛	—
WRIT	779	16 9/16	16⅜	16⅜	-⅛
WashGs	113	[illegible]	[illegible]	[illegible]	[illegible]
WIRET	170	[illegible]	[illegible]	[illegible]	[illegible]
WinstonT	334	[illegible]	[illegible]	[illegible]	[illegible]
WEB Ita	184	[illegible]	[illegible]	[illegible]	[illegible]
WEB Jpn	392	[illegible]	[illegible]	[illegible]	[illegible]
WEB Mal	150	[illegible]	[illegible]	[illegible]	[illegible]
WEB Sing	169	[illegible]	[illegible]	[illegible]	[illegible]
XCL Ltd	2931	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7966.41	7997.77	7864.91	7942.03	+13.71
Trans	2925.43	2931.48	2877.89	2895.53	-21.00
Util	231.35	232.59	230.12	231.41	+0.49
Comp	2470.98	2479.15	2439.72	2459.43	-1.69

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1101.66	1077.85	1084.73	1084.27
Transp.	672.00	662.32	664.51	655.74
Utilities	199.66	197.69	197.79	197.01
Finance	107.45	105.44	105.98	106.20
SP 500	935.77	916.54	922.02	924.10
SP 100	910.57	889.57	896.03	896.53

NYSE

	High	Low	Last	Chg.
Composite	482.09	476.49	479.65	+1.23
Industrials	609.37	601.73	606.38	+1.59
Transp.	441.60	433.49	435.77	-3.19
Utility	290.01	287.18	288.39	+0.38
Finance	448.14	444.18	446.28	+1.69

Nasdaq

	High	Low	Last	Chg.
Composite	1590.27	1578.39	1586.66	+3.26
Industrials	1258.76	1252.27	1254.55	+1.81
Banks	1709.19	1704.62	1705.76	+1.56
Insurance	1718.02	1704.56	1708.96	+3.63
Finance	2047.06	2037.24	2040.97	+2.22
Transp.	1021.37	1016.30	1019.01	+2.20

AMEX

High	Low	Last	Chg.
642.44	639.41	640.38	-0.68

Dow Jones Bond

	Previous Close	Today Noon
20 Bonds	104.49	104.16
10 Utilities	102.04	101.59
10 Industrials	106.94	106.73

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
BritPet s	130595	84⅝	83⅛	84⅛	-1⅛
MicrnT	125220	45	41½	45	+2⅜
K mart	93656	12⅞	12	12⅞	+1⅛
ColHCA s	78914	32⅝	31⅝	31¾	-1⅛
PhilMor s	57192	46⅛	45⅛	46⅛	+1⅛
GlobM	53337	26½	25½	26⅛	-1⅛
Cocacl	53171	61⅞	59⅝	59⅞	-⅞
Pfizer s	48533	54⅞	53⅞	54	+1⅛
Merck	46329	95⅞	92⅝	93⅞	+1¾
GenElec s	46217	67⅝	66	66¾	
JohnJn	45625	59⅝	57⅛	58⅞	+1⅛
Compaq s	43615	58⅜	57	57⅞	+⅛
ChileTel s	42646	32⅝	32⅛	32⅝	+⅛
SecCap rt	40195	⅛	[illegible]	[illegible]	[illegible]
Unisys	39721	10⅝	10⅛	10⅝	+½

Nasdaq

	Vol.	High	Low	Last	Chg.
Intel s	119784	97¼	95⅛	95⅞	-⅜
Amgen	99950	50⅛	48⅛	49⅜	
Ascend	96892	46⅞	44	45¼	+1⅝
TeleComA	81456	19½	18⅝	18⅞	
ApldMat	76086	101⅝	97⅝	100⅛	+1⅛
MCI	70733	34⅜	33⅞	33⅞	
3Com	69611	55⅞	54⅝	55⅛	+1⅛
Cisco	64372	77⅞	75⅛	77	+1⅛
DellCpt s	64184	81⅞	79⅞	81	+1⅛
Microsft s	57175	136⅞	134⅜	136⅛	+⅛
MarDrl	55488	23	19⅝	20⅝	-1⅝
Novell	47648	8⅞	8⅝	8⅝	-⅛
WorldCm	47417	33	32⅛	32⅝	-⅛
Oracle	40958	58	56⅝	57⅝	+1⅛
AppleC	38768	24⅛	22⅞	23	-⅜

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	32232	93⅞	91 15/16	92 15/16	+⅝
Nabors	8498	30¼	28⅞	29⅞	-⅛
JTS Corp	7475	9/16	½	½	
Amdhl	7227	11⅜	11⅛	11⅛	-⅛
Hasbro s	6893	28⅝	28⅜	28⅜	+⅛
NY Times	6168	46½	45 9/16	46⅛	+⅛
ForstLb	6123	44⅜	42⅜	42⅞	-1½
AirWat	5681	3⅞	3⅜	3⅜	-⅛
ViacB	5484	30½	30⅛	30¼	+⅛
GoVideo	5479	2⅛	2	2	+1/16

Trading Activity

NYSE

	Close	Prev.
Advanced	1555	1373
Declined	1271	1476
Unchanged	569	552
Total Issues	3395	3401
New Highs	103	104
New Lows	17	18

Nasdaq

	Noon	Prev.
Advanced	1806	2107
Declined	1541	1960
Unchanged	2100	1695
Total Issues	5447	5762
New Highs	111	168
New Lows	71	61

AMEX

	Close	Prev.
Advanced	298	268
Declined	280	328
Unchanged	157	148
Total issues	735	744
New Highs	22	26
New Lows	6	7

Market Sales

	Today 4:00	Prev. cons.
NYSE	520.29	702.29
Amex	21.22	30.92
Nasdaq	514.51	648.37

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Asia Sat Telec	b	.072	9-15	11-12
Chile Fund	-	.26	9-12	9-26
Latin Am Eq Fd	-	.16	9-12	9-26
Latin Am Inv Fd	-	.21	9-12	9-26
MuniVest Fd	-	.0508	8-18	8-28
Zeneca Grp ADR	b	.7998	9-19	11-10
STOCK SPLIT				
US Indust 3 for 2 split.				
REVERSE STOCK SPLIT				
Princeton Dental 1 for 5reverse split				
QPQ Corp 1for 20reverse split.				
INCREASED				
Am RlEst Inv	Q	.218	8-22	9-4
Harleysville Ntl	Q	.23	9-12	9-30
MDU Resources	Q	.2875	9-11	10-1
SPECIAL				
Hastings Mfg	-	.05	8-28	9-15
REGULAR				
Automatic Data	Q	.115	9-12	10-1
Barclays PLC	x	.0732	8-22	10-2
Cadmus Commun	Q	.05	8-22	9-5
Cardinal Hlth	Q	.025	10-1	10-15
Chester Bncp	Q	.06	8-25	9-3
Gen Housewares	Q	.08	9-16	9-30
Global HI Inco Dlr	M	.106	8-22	8-29
Harnischfeger Ind	Q	.10	9-25	10-7
IL Pwr adjpf A	-	.75	10-10	11-1
Illinova Corp	Q	.31	10-10	11-1
Industri Scientif	-	.04	8-25	9-2
Instron Corp	Q	.04	9-5	9-26
Liberty Term 99	M	.035	8-22	9-2
Lincoln Ntl Corp	Q	.49	10-10	11-1
Lowes Cos	Q	.055	10-17	10-31
Maytag Corp	Q	.16	9-1	9-15
Medallion Fin	Q	.22	8-18	8-28
Meredith Corp	Q	.065	8-29	9-15
Midsouth Bncp	Q	.06	9-15	10-1
Miss Valley Bnc	Q	.14	9-15	10-1
Munisured Fd	M	.0427	8-18	8-28
Nationwd Fin Svc	Q	.06	10-1	10-15
PacifiCorp	Q	.27	10-22	11-17
Partner Re	Q	.18	8-22	9-2
Regis Corp	Q	.02	8-25	9-9
Scripps,EW A	Q	.13	8-27	9-10
Severson Environ	Q	.055	8-26	9-2
Sthwst Bncshrs	Q	.19	8-26	9-9
Storage Tr	Q	.435	9-15	10-15
SunTrust Bks	Q	.225	9-2	9-15
USLIFE Inco Fd	Q	.19	8-25	9-2

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99. cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Aug. 14, 1997

Grains

CORN (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Sep 97	265	260½	264¼	+2	43,001
Dec 97	268½	264½	268	+1½	159,100
Mar 98	276¼	271¼	275¾	+2	37,736
May 98	280½	277¼	280	+¾	9,061
Jul 98	283½	278	282½	+1¼	15,188
Sep 98	266	263½	263½	-1	1,568
Dec 98	265	262	264¼	-¼	7,884

Est. sales 72,000 Wed's sales 117,072
Wed's open int 273,638, up 8,857

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

	High	Low	Latest	Chge	Opint
Aug 97	258.50	254.70	258.20	+2.90	7,352
Sep 97	229.50	226.30	228.20	+0.70	24,217
Oct 97	209.30	206.50	207.30	-0.70	15,136
Dec 97	202.00	199.00	200.00	-1.10	41,020
Jan 98	197.50	195.00	197.00	-0.30	6,215
Mar 98	194.00	192.00	193.00	-1.20	8,779

Est. sales 20,000 Wed's sales 25,245
Wed's open int 109,173, up 1,259

SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb

	High	Low	Latest	Chge	Opint
Aug 97	22.12	21.62	22.12	+0.17	1,194
Sep 97	22.27	21.70	22.27	+0.24	20,030
Oct 97	22.44	21.87	22.44	+0.22	15,116
Dec 97	22.80	22.15	22.79	+0.29	46,343
Jan 98	23.02	22.40	23.02	+0.30	7,571
Mar 98	23.35	22.67	23.35	+0.30	4,964

Est. sales 19,000 Wed's sales 15,799
Wed's open int 99,473, off 914

SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Aug 97	793	768	772½	-6½	5,794
Sep 97	662	646	655½	-4½	15,096
Nov 97	614	605	611¼	-3¼	79,533
Jan 98	617¼	610¼	614¼	-3¼	16,560
Mar 98	629	618	624¼	-3¼	6,079

Est. sales 44,000 Wed's sales 44,137
Wed's open int 131,902, off 537

WHEAT (CBOT) 5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Sep 97	361¼	355	355¼	-6	28,080
Dec 97	377½	370	370¼	-7	55,562
Mar 98	387	381	382¼	-6¼	15,676
May 98	389	382½	385½	-5½	1,546

Est. sales 22,000 Wed's sales 26,063
Wed's open int 106,703, up 1,488

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Aug 97	66.70	66.25	66.57	+0.30	6,603
Oct 97	69.97	69.55	69.82	-0.02	51,080
Dec 97	72.40	72.10	72.22	-0.10	21,131
Feb 98	73.80	73.55	73.62	-0.15	10,895
Apr 98	75.25	75.07	75.17	+0.02	4,640
Jun 98	72.20	71.90	71.92	-0.12	2,848

Est. sales 9,753 Wed's sales 13,480
Wed's open int 97,557, off 2,314

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Aug 97	80.90	80.20	80.55	-0.07	5,203
Sep 97	81.00	80.10	80.27	+0.07	4,230
Oct 97	81.47	80.60	80.85	+0.02	6,959
Nov 97	82.40	81.80	81.92	+0.02	4,019
Jan 98	82.50	82.00	82.05	+0.15	2,003
Mar 98	81.90	81.72	81.80	+0.30	963

Est. sales 3,659 Wed's sales 7,476
Wed's open int 23,901, up 246

HOGS-Lean (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Aug 97	79.25	79.05	79.15	-0.05	5,331
Oct 97	73.17	72.10	73.02	+1.10	16,816
Dec 97	69.80	68.60	69.70	+1.05	6,274
Feb 98	68.50	67.55	68.40	+0.77	2,578
Apr 98	64.15	63.25	64.12	+0.82	1,523

Est. sales 7,382 Wed's sales 6,161
Wed's open int 34,205, off 102

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Aug 97	86.37	84.50	85.95	+1.10	818
Feb 98	75.20	74.00	74.62	+0.87	3,523
Mar 98	74.80	73.30	74.80	+1.05	121

Est. sales 1,172 Wed's sales 1,246
Wed's open int 4,512, up 31

Food

COCOA (NCSE) 10 metric tons- $ per ton

	High	Low	Latest	Chge	Opint
Sep 97	1504	1482	1485	-14	8,774
Dec 97	1532	1511	1516	-11	34,658
Mar 98	1559	1542	1547	-10	25,553
May 98	1579	1567	1570	-9	12,250
Jul 98	1598	1589	1590	-9	2,271
Sep 98	1612	1610	1612	-9	3,721

Est. sales 8,582 Wed's sales 4,428
Wed's open int 100,367, off 1,304

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Sep 97	186.75	180.00	184.55	+1.45	6,196
Dec 97	168.25	164.00	166.05	+0.55	8,348
Mar 98	152.00	148.00	149.20	-0.10	3,707
May 98	146.25	143.60	143.70	-0.60	1,131
Jul 98	142.00	139.70	139.70	-0.20	781

Est. sales 4,524 Wed's sales 7,178
Wed's open int 20,536, off 343

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 97	11.57	11.48	11.55	+0.06	99,035
Mar 98	11.80	11.74	11.78	+0.03	60,114
May 98	11.78	11.73	11.78	+0.05	12,982
Jul 98	11.68	11.62	11.68	+0.06	8,560

Est. sales 9,887 Wed's sales 16,358
Wed's open int 188,255, up 1,191

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Sep 97	79.60	69.40	69.45	-9.60	14,843
Nov 97	81.50	76.10	76.10	-5.00	10,884
Jan 98	83.70	78.80	78.80	-5.00	5,688
Mar 98	86.45	81.30	81.30	-5.00	3,357

Est. sales 13,000 Wed's sales 2,815
Wed's open int 34,700, off 507

Metals

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Aug 97	326.90	323.20	324.20	-2.60	638
Sep 97			324.90	-2.70	2
Oct 97	329.10	324.60	326.10	-2.70	15,515
Dec 97	331.40	326.60	328.00	-2.70	116,502
Feb 98	332.20	328.70	329.90	-2.70	12,872
Apr 98	332.90	331.80	331.80	-2.70	5,342
Jun 98	335.90	333.90	333.90	-2.70	7,321
Aug 98			336.20	-2.70	3,111
Oct 98			338.50	-2.70	109

Est. sales 45,000 Wed's sales 53,884
Wed's open int 201,194, up 4,509

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Aug 97	105.50	103.50	103.60	-1.40	2,285
Sep 97	106.00	103.20	103.80	-1.35	21,108
Oct 97	105.45	103.60	103.60	-1.05	1,762
Nov 97	103.80	102.80	102.80	-0.75	1,386
Dec 97	104.00	102.25	102.60	-0.50	8,807
Jan 98			102.10	-0.55	673
Feb 98			101.60	-0.30	606
Mar 98	101.80	101.20	101.20	-0.10	2,450
Apr 98	100.90	100.50	100.50	unch.	402

Est. sales 11,000 Wed's sales 6,258
Wed's open int 43,961, up 482

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	Opint
Aug 97			439.50	-10.20	
Sep 97	452.00	436.50	440.50	-10.20	49,889
Oct 97			444.20	-10.20	78
Dec 97	458.00	443.00	447.00	-10.30	21,285
Jan 98			448.60	-10.30	20
Mar 98	463.00	452.00	453.40	-10.40	10,458
May 98	462.00	457.40	457.40	-10.40	3,023
Jul 98			461.30	-10.50	2,160

Est. sales 32,000 Wed's sales 23,068
Wed's open int 90,136, off 2,092

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Oct 97	431.00	421.50	427.80	-3.30	11,787
Jan 98	418.80	413.10	418.80	-2.80	2,587
Apr 98	413.30	407.00	413.30	-2.80	415

Est. sales N.A. Wed's sales 1,206
Wed's open int 1, off 14,862

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1721.00	1722.00	1697.00	1699.00
Forward	1707.00	1708.00	1695.00	1696.00
Copper Cathodes (High Grade)				
Spot	2293.00	2298.00	2308.00	2310.00
Forward	2285.00	2288.00	2290.00	2292.00
Lead				
Spot	597.00	598.00	590½	591½
Forward	611½	612.00	606.00	607.00
Nickel				
Spot	6565.00	6575.00	6485.00	6495.00
Forward	6670.00	6680.00	6598.00	6602.00
Tin				
Spot	5380.00	5390.00	5310.00	5320.00
Forward	5430.00	5440.00	5360.00	5370.00
Zinc (Special High Grade)				
Spot	1633.00	1638.00	1588.00	1591.00
Forward	1517.00	1519.00	1485.00	1486.00

Financial

US T BILLS (CMER) $1 million- pts of 100 pct.

	High	Low	Close	Chge	Opint
Sep 97	94.92	94.89	94.90	unch.	6,986
Dec 97	94.80	94.79	94.79	+0.02	2,118
Mar 98	94.72	94.71	94.72	+0.05	705

Est. sales N.A. Wed's sales 880
Wed's open int 9,809, off 339

5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct

	High	Low	Close	Chge	Opint
Sep 97	106-62	106-40	106-59	+ 19	217,321
Dec 97	106-45	106-25	106-45	+ 20	17,590

Est. sales 40,000 Wed's sales 79,408
Wed's open int 234,911, up 9,541

10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Sep 97	109-14	108-29	109-11	+ 14	350,496
Dec 97	109-04	108-22	109-02	+ 15	56,101
Mar 98			108-24	+ 15	1,944

Est. sales 130,000 Wed's sales 222,125
Wed's open int 408,741, up 6,579

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

	High	Low	Close	Chge	Opint
Sep 97	113-24	112-25	113-20	+ 25	532,324
Dec 97	113-11	112-16	113-08	+ 26	58,991
Mar 98	112-30	112-18	112-30	+ 26	31,951
Jun 98			112-18	+ 26	2,230

Est. sales 455,000 Wed's sales 69,812
Wed's open int 627,170, up 16,806

LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct

	High	Low	Close	Chge	Opint
Sep 97	114-28	114-18	114-25	+0-14	165,297
Dec 97	114-14	114-08	114-12	+0-14	9,979

Est. sales: 36,389. Prev. sales: 83,311
Prev. open int.: 175,276 off 3,478

GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct

	High	Low	Close	Chge	Opint
Sep 97	102.37	102.07	102.33	+0.42	265,351
Dec 97	101.34	101.24	101.49	+0.41	19,226
Mar 98	N.T.	N.T.	100.65	+0.40	

Est. sales: 115,976. Prev. sales: 215,342
Prev open int.: 284,577 up 1,021

10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	129.66	129.42	129.54	+ 0.28	165,714
Dec 97	98.62	98.46	98.52	+ 0.28	11,617
Mar 98	97.98	97.98	97.92	+ 0.28	0

Est. sales: 75,894.
Open int.: 177,331 off 5,673.

ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	135.75	135.11	135.46	+0.23	101,256
Dec 97	107.70	107.70	107.69	+0.19	5,091
Mar 98	N.T.	N.T.	108.15	+0.19	106,347

Est. sales: 30,162. Prev. sales: 65,347
Prev. open int.: 106,347 off 3,086

LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct.

	High	Low	Latest	Chge	Opint
Aug 97	94.36	94.35	94.35	+0.01	19,074
Sep 97	94.34	94.34	94.34	unch.	11,896
Oct 97	94.32	94.31	94.31	+0.01	6,876

Est. sales N.A. Wed's sales 5,525
Wed's open int 50,352, up 558

EURODOLLARS (CMER) $1 million-pts of 100 pct.

	High	Low	Latest	Chge	Opint
Aug 97	94.27	94.25	94.26	+0.01	17,918
Sep 97	94.26	94.24	94.25	+0.01	502,955
Oct 97	94.18	94.17	94.17	+0.02	3,529
Dec 97	94.10	94.06	94.09	+0.03	479,251
Mar 98	94.03	93.97	94.02	+0.05	342,643
Jun 98	93.92	93.86	93.90	+0.05	274,904
Sep 98	93.82	93.76	93.80	+0.05	226,439
Dec 98	93.70	93.64	93.69	+0.05	186,003
Mar 99	93.69	93.61	93.68	+0.06	135,694
Jun 99	93.64	93.60	93.63	+0.06	102,203
Sep 99	93.61	93.57	93.60	+0.06	85,801
Dec 99	93.54	93.48	93.53	+0.06	73,591

Est. sales N.A. Wed's sales 862,861
Wed's open int 2,812,607, up 726

BRITISH POUND (CMER) 62,500 pounds, $ per pound

	High	Low	Latest	Chge	Opint
Sep 97	1.5884	1.5760	1.5870	+0.0050	51,443
Dec 97	1.5820	1.5750	1.5816	+0.0050	1,067
Mar 98			1.5758	+0.0050	209

Est. sales N.A. Wed's sales 7,994
Wed's open int 52,719, off 1,283

CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr

	High	Low	Latest	Chge	Opint
Sep 97	.7209	.7188	.7202	+0.0011	52,570
Dec 97	.7246	.7228	.7238	+0.0012	4,726
Mar 98			.7267	+0.0013	685

Est. sales N.A. Wed's sales 12,846
Wed's open int 58,234, up 1,134

GERMAN MARK (CMER) 125,000 marks, $ per mark

	High	Low	Latest	Chge	Opint
Sep 97	.5475	.5423	.5443	-0.0018	114,583
Dec 97	.5498	.5457	.5475	-0.0018	4,074
Mar 98	.5526	.5490	.5506	-0.0020	1,054

Est. sales N.A. Wed's sales 51,919
Wed's open int 119,818, off 625

JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen

	High	Low	Latest	Chge	Opint
Sep 97	.8696	.8500	.8510	-.0177	70,633
Dec 97	.8732	.8620	.8621	-.0180	2,354
Mar 98			.8738	-.0182	530

Est. sales N.A. Wed's sales 21,521
Wed's open int 73,522, up 166

SWISS FRANC (CMER) 125,000 francs, $ per franc

	High	Low	Latest	Chge	Opint
Sep 97	.6650	.6579	.6612	-0.0031	52,598
Dec 97	.6696	.6650	.6680	-0.0031	2,391
Mar 98			.6749	-0.0031	1,065

Est. sales N.A. Wed's sales 15,644
Wed's open int 56,164, off 635

MEXICAN PESO (CMER) 500,000 pesos, $ per peso

	High	Low	Latest	Chge	Opint
Sep 97	.12740	.12680	.12732	+.00369	23,252
Dec 97	.12285	.12245	.12282	+.00219	14,221
Mar 98	.11872	.11860	.11872	+.00191	5,159

Est. sales N.A. Wed's sales 8,017
Wed's open int 44,429, off 40

3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	92.78	92.77	92.77	+0.01	109,454
Dec 97	92.65	92.63	92.65	+0.02	123,548
Mar 98	92.62	92.60	92.62	+0.03	99,634
Jun 98	92.63	92.61	92.62	+0.02	68,241
Sep 98	92.66	92.63	92.65	+0.03	54,869
Dec 98	92.71	92.68	92.71	+0.05	46,564
Mar 99	92.76	92.72	92.76	+0.05	37,699

Est. sales: 30,992. Prev. sales: 110,215
Prev. open int: 627,030 up 705

3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Aug 97	96.72	96.72	96.72	+0.02	976
Sep 97	96.65	96.62	96.64	+0.01	257,140
Oct 97	N.T.	N.T.	96.56	—0.01	1,753
Dec 97	96.45	96.42	96.44	Unch.	305,132
Mar 98	96.34	96.28	96.30	—0.01	289,037
Jun 98	96.11	96.07	96.09	Unch.	211,158
Sep 98	95.91	95.86	95.89	+0.01	152,983
Dec 98	95.67	95.63	95.65	Unch.	156,013
Mar 99	95.48	95.44	95.46	Unch.	115,653
Jun 99	95.31	95.27	95.29	+0.01	70,577

Est. sales: 154,728. Prev. sales: 396,041
Prev. open int: 1,702,715 up 26,447

3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	96.51	96.48	96.49	+ 0.01	63,335
Dec 97	96.32	96.29	96.30	+ 0.02	43,642
Mar 98	96.21	96.18	96.19	+ 0.02	30,931
Jun 98	96.09	96.05	96.07	+ 0.03	25,498
Sep 98	95.95	95.91	95.93	+ 0.03	30,592

Est. sales: 30,464.
Open int: 266,597 up 285.

3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct

	High	Low	Latest	Chge	Opint
Sep 97	93.24	93.20	93.22	+0.02	99,805
Dec 97	93.55	93.50	93.53	+0.02	97,877
Mar 98	93.85	93.80	93.83	+0.02	54,117
Jun 98	94.11	94.06	94.09	+0.02	42,402
Sep 98	94.24	94.21	94.23	+0.02	36,672

Est. sales: 27,006. Prev. sales: 50,668
Prev. open int.: 384,424 off 334

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 97	74.64	74.35	74.48	-0.36	10,027
Dec 97	74.74	74.35	74.48	-0.41	41,553
Mar 98	76.00	75.60	75.73	-0.44	12,061
May 98	76.51	76.22	76.33	-0.44	4,096
Jul 98	77.15	76.85	76.93	-0.27	3,559

Est. sales 3,500 Wed's sales 7,367
Wed's open int 78,086, off 170

HEATING OIL (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Sep 97	56.55	55.74	55.87	-0.17	34,296
Oct 97	57.35	56.57	56.73	-0.15	32,061
Nov 97	58.10	57.48	57.48	-0.15	18,188
Dec 97	58.85	58.23	58.23	-0.15	19,979
Jan 98	59.25	58.73	58.73	-0.20	15,431
Feb 98	59.20	58.73	58.73	-0.30	8,049
Mar 98	58.40	57.73	57.73	-0.35	7,145

Est. sales 21,316 Wed's sales 27,513
Wed's open int 1, off 147,335

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

	High	Low	Latest	Chge	Opint
Sep 97	20.51	20.06	20.08	-0.11	64,454
Oct 97	20.66	20.28	20.30	-0.09	86,196
Nov 97	20.73	20.32	20.38	-0.09	40,857
Dec 97	20.71	20.40	20.41	-0.09	51,386
Jan 98	20.70	20.40	20.41	-0.09	30,314
Feb 98	20.62	20.40	20.40	-0.09	14,768

Est. sales 113,231 Wed's sales 113,715
Wed's open int 1, off 440,087

NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu

	High	Low	Latest	Chge	Opint
Sep 97	2.550	2.420	2.428	-0.044	44,569
Oct 97	2.570	2.440	2.457	-0.036	40,514
Nov 97	2.650	2.560	2.560	-0.028	16,623
Dec 97	2.750	2.650	2.665	-0.028	19,341
Jan 98	2.760	2.670	2.695	-0.010	18,764
Feb 98	2.600	2.540	2.540	-0.010	13,687

Est. sales N.A. Wed's sales 64,841
Wed's open int 1, off 215,586

UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal

	High	Low	Latest	Chge	Opint
Sep 97	67.40	65.90	66.33	+0.25	36,068
Oct 97	61.50	60.40	60.57	-0.25	24,855
Nov 97	59.05	58.30	58.35	-0.35	10,607
Dec 97	58.30	57.60	57.65	-0.35	9,950
Jan 98	58.25	57.55	57.55	-0.40	8,954
Feb 98	58.70	57.85	57.85	-0.45	3,508
Mar 98			58.35	-0.50	4,673
Apr 98			60.95	-0.50	2,158

Est. sales 38,355 Wed's sales 48,864
Wed's open int 1, off 99,896

Stock Indexes

SP COMP INDEX (CMER) 500 x index

	High	Low	Latest	Chge	Opint
Sep 97	934.00	918.50	925.50	-0.30	186,793
Dec 97	943.50	930.00	935.50	-0.30	7,976
Mar 98			946.10	unch.	2,312

Est. sales N.A. Wed's sales 81,689
Wed's open int 197,783, up 1,125

FTSE 100 (LIFFE) £25 per index point

	High	Low	Latest	Chge	Opint
Sep 97	5075.0	5075.0	5002.0	—18.0	73,339
Dec 97	5120.0	5120.0	5068.0	—18.0	6,383
Mar 98	N.T	N.T	5115.0	—18.0	221

Est. sales: 9,805. Prev. sales: 16,795
Prev. open int.: 79,943 up 1,621

CAC 40 (MATIF) FF200 per index point

	High	Low	Latest	Chge	Opint
Aug 97	2941.0	2915.0	2921.0	— 3.00	26,296
Sep 97	2948.5	2927.0	2929.0	— 3.50	23,957
Dec 97	2973.0	2966.5	2954.0	— 3.00	928

Est. sales: 12,678.
Open int.: 69,597 up 848.

Commodity Indexes

	Close	Previous
Moody's	1,557.50	1,556.8
Reuters	1,903.80	1,903.60
D.J. Futures	150.17	150.17
CRB	241.40	243.26

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

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EUROPE

Rise in BASF's Taxes Held Profit Growth To 3% in First Half

Compiled by Our Staff From Dispatches

FRANKFURT — BASF AG reported Thursday that first-half net profit increased 3 percent as benefits from the strong dollar were offset by a higher-than-expected tax charge.

The chemicals company said net profit rose to 1.42 billion Deutsche marks ($768.1 million) as sales increased 15 percent, to 27.80 billion DM, from the first half of 1996.

BASF's tax bill rose 15 percent, to 1.05 billion DM.

"The strong dollar, improving prices in plastics and agrochemicals and BASF's oil and gas businesses have all boosted growth," said Anthony Cox of Dresdner Kleinwort Benson in London. "But it looks like the company had a higher-than-expected tax charge of about 45 percent, and this may dampen full-year net."

Chief Executive Juergen Strube said the tax rate was 40 percent in the first half, compared with 35 percent or 36 percent a year earlier.

"Last year we had a loss carry-forward," he said, "and this can't be used this year."

Mr. Strube said he did not know what the full-year tax rate would be.

The company said it expected earnings for the full year to exceed those of 1996 and sales to surpass 50 billion DM, compared with 48.8 billion DM in 1996.

The stronger dollar is fueling a German export boom. The dollar has risen about 20 percent against the mark since the beginning of the year, fueling a 19.1 percent increase in BASF's North American sales.

But profit from U.S. units, where a stronger dollar has a negative effect, fell amid lower margins on polystyrenes, alcohol and acrylic acid products. Operating profit in North America plunged to 293 million DM from 639 million DM in the first half of 1996.

The company said its Knoll pharmaceuticals unit, which bears the brunt of its research and development costs, was unlikely to report a profit for the full year.

"Our plastics and fibers businesses were also substantially below target," Mr. Strube said.

Sales in Germany rose 14 percent, to 3.62 billion DM, on strong growth in BASF's oil and gas unit.

BASF stock finished down 3.53 DM, at 68.67, while shares of the top German chemicals company, Hoechst AG, fell 4.90 DM to 76.10 a day after its midyear earnings report.

"BASF has been disappointing, and so was Hoechst, and now the avalanche is rolling," said Peter Ensel, a trader at Frankfurter Sparkasse. "The chemical industry is now under pressure."

Hoechst said Wednesday that operating profit rose an adjusted 7 percent, also helped by the strength of the dollar.

(AFX, Bloomberg, AP Reuters)

New Markets Lift Profit at WPP Group

Compiled by Our Staff From Dispatches

LONDON — WPP Group PLC, the world's largest advertising concern, said Thursday that its first-half pretax profit rose 15 percent as it won new billings and expanded into developing markets in Asia and Latin America.

WPP reported pretax earnings of £78.3 million ($123.7 million) for the six-month period ended June 30, up from £68.1 million a year earlier. But revenue dipped to £830.6 million from £833.2 million a year earlier, as the strong pound cut the value of overseas sales. WPP derives about 80 percent of its sales and profit from activities outside Britain.

WPP, parent of the advertising agencies J. Walter Thompson Co. and Ogilvy & Mather Worldwide, said sales from developing markets in Latin America and Asia rose 10.6 percent, while sales from North America rose 7.8 percent. Sales rose 5.3 percent from Europe, and 1.6 percent from Britain. *(AP, Bloomberg)*

Forestry Firms' Profits Sprout

Bloomberg News

HELSINKI — Europe's largest forestry companies have posted mostly better-than-expected earnings for the second quarter as a recovery in demand started to feed through to higher prices.

UPM-Kymmene Oy, Europe's largest forest-products maker, said Thursday that second-quarter profit more than tripled, after Svenska Cellulosa AB, the second-largest, said profit doubled. Of the eight major Scandinavian forestry companies reporting in the past two weeks, six had better-than-expected results, and two were in line with forecasts.

"The forestry industry is going better and better," said Mikka Haekkila, portfolio manager of Arctos Funds. "We are in no hurry to sell our UPM shares."

Forestry companies saw their 1996 earnings collapse as benchmark pulp prices fell by almost half from about $1,000 a ton in 1995. But the price of pulp, used to make higher-grade products such as paper and tissues, rose 10 percent in the second quarter of this year on the Helsinki Futures and Options Exchange. It recently traded at $583.19 a ton.

Analysts warned, however, that the rebound was fragile. If the recovery in major European economies such as Germany falters, the advance in pulp prices could slow, delaying price rises expected late this year for fine paper and newsprint, they said.

"The results are better, but it's not prices but volumes that are better," said Katarina Ahlstedt, an analyst at Deutsche Morgan Grenfell. "You haven't seen price increases in paper yet. That would mark the real turnaround."

Profit at UPM tripled to 1.62 billion Finnish markkaa ($292 million), largely on one-time gains from selling shares. Operating profit rose to 1.23 billion markkaa from 943 million markkaa last year, in line with expectations.

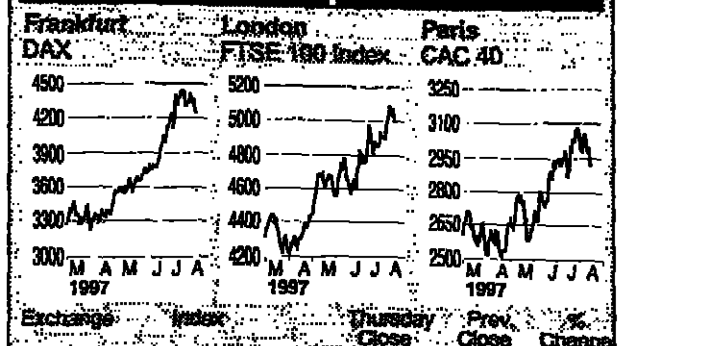
Mo & Domsjoe AB, a Swedish forestry company, said Thursday that pretax profit fell a less-than-expected 44 percent to 917 million kronor ($114 million) in the first half, largely on losses from currency hedging.

"Given the sector's recent history is so bad, a lot of investors may take the first chance to get out," said Christian Georges, analyst at Credit Lyonnais Securities.

■ Cellulosa Seeks Rest of Unit

Svenska Cellulosa has offered 335 Deutsche marks ($182) a share for the remaining shares of Papierwerke Waldhof-Aschaffenburg AG, Agence France-Presse reported from Stockholm. Svenska Cellulosa has owned 75 percent of Papierwerke since early 1995 and holds call options covering a further 4.6 percent of the shares.

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	AEX	935.59	935.76	-0.02
Brussels	BEL-20	2,417.87	2,399.10	+0.78
Frankfurt	DAX	4,231.43	4,278.48	-1.10
Copenhagen	Stock Market	631.83	632.23	-0.19
Helsinki	HEX General	3,576.84	3,600.85	-0.67
Oslo	OBX	703.43	708.10	-0.66
London	FTSE 100	4,991.30	5,001.00	-0.19
Madrid	Stock Exchange	589.45	592.57	-0.53
Milan	MIBTEL	14405	14398	+0.05
Paris	CAC 40	2,921.84	2,924.04	-0.08
Stockholm	SX 16	3,527.16	3,528.44	-0.04
Vienna	ATX	1,382.75	1,408.14	-1.80
Zurich	SPI	3,595.90	3,640.95	-1.24

Source: Telekurs — International Herald Tribune

Restructuring Costs Weigh on Aker

Compiled by Our Staff From Dispatches

OSLO — Aker RGI ASA, a Norwegian holding company, said Thursday that first-half pretax profit rose 11 percent, while it posted an operating loss because of a reorganization charge at its subsidiary Norway Seafoods ASA.

Pretax profit rose to 284 million kroner ($37.1 million) from 257 million kroner in the same period last year. The operating loss totaled 237 million kroner, narrowed from 288 million kroner a year ago.

Year-ago figures are adjusted for a merger that took place between Aker and RGI earlier this year when Aker ASA acquired Resource Group International.

It is now Norway's third-largest group after the energy companies Norsk Hydro A/S and Statoil A/S, and has operations in engineering, construction, oil production and fishing industries.

The company's three main holdings are the oil equipment company Aker Maritime ASA, in which it holds a 75 percent stake, the cement company Scancem AB, in which it holds a third, and Norway Seafoods, in which it holds 60.7 percent.

Since November, the group has undergone major restructuring. Properties worth 3.7 billion kroner have been sold, it said.

Aker RGI's shares closed down 1 krone at 135 kroner on Thursday.

(AFP, Bloomberg)

Layoff Fight at Irish Fruit of Loom

Reuters

DUBLIN — The managing director of Fruit of the Loom Inc.'s unit in Ireland, Willie McCarter, plans to fight a layoff notice served to him by his American bosses, Irish media reported Thursday.

The high-profile Derry-born businessman, his brother John and the finance director Seamus McEleney were laid off by the U.S. parent company.

The dispute appears to have been growing since the beginning of the year when some of Mr. McCarter's responsibilities were transferred to the United States, media reports said.

In 1986, U.S. Fruit of the Loom bought Mr. McCarter's Irish interests in Derry and Donegal, and Willie McCarter was appointed managing director of the Irish operations in 1987.

The company, which now has seven plants, two in Derry and the rest in Donegal, is one of the largest employers in manufacturing in Ireland, with about 3,500 workers.

Media reports said files at the Company Records office show that Fruit of the Loom in Ireland had a pretax loss of 13.5 million Irish punts ($9.4 million) in 1995, reversing a profit of 5.8 million punts in 1994.

On Wednesday, the McCarter brothers and Mr. McEleney applied for injunctions against the redundancy notices in the High Court in Dublin.

The case will be heard in two weeks.

Very briefly:

- **Hanson PLC**, a British building-materials supplier, said first-half operating profit rose 9 percent, to £121 million ($191.2 million), on a pro-forma basis as the buoyant economies in the United States and Britain helped fuel growth in the construction industry. The company spun off its chemicals, energy and tobacco units this year.
- **MAID PLC**, a British on-line business-information provider, said its second-quarter net loss narrowed 79 percent, to £394,000 ($624,000), as sales rose and operating costs remained stable.
- ***Societe Nationale d'Exploitation Industrielle des Tabacs & des Allumettes SA***'s first-half sales rose 4.6 percent, to 8.89 billion French francs ($1.44 billion).
- **Tulip Computers NV**'s first-half loss narrowed to 6.8 million guilders ($3.3 million), though costs and problems with opening a new factory cut into sales. The Dutch computer maker said it expected a profit for the full year.
- **Westdeutsche Landesbank Girozentrale**, Germany's third-largest bank, said first-half operating profit rose 23 percent, to 749.6 million Deutsche marks ($405.5 million), as trading profit increased.
- ***The European Commission*** has warned ***Telefonica de Espana SA*** against moving ahead with its purchase of a stake in Antena 3, a television channel, without European Union approval.
- **Fokus Bank ASA**, Norway's fifth-largest bank, said second-quarter profit fell 18 percent, to 118.8 million kroner ($15.5 million), because of a one-time charge for two failed takeover bids.
- **Credit Lyonnais SA** said it was sounding out investors on a loan securitization plan for 40 billion francs of securities as the state-owned bank sought to lighten its cost of funding and secure its return to profitability. *Bloomberg, AFX, Reuters*

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	174.54	-1.32	-0.75	+17.03
Regional Indexes				
Asia/Pacific	129.92	-1.07	-0.82	+5.26
Europe	183.45	-1.62	-0.88	+13.80
N. America	203.65	-2.06	-1.00	+25.78
S. America	170.46	-0.08	-0.05	+48.96
Industrial Indexes				
Capital goods	225.88	-2.47	-1.08	+32.16
Consumer goods	188.66	-0.04	-0.02	+16.87
Energy	195.13	-2.49	-1.26	+14.30
Finance	133.57	-1.29	-0.96	+14.69
Miscellaneous	189.60	-1.28	-0.67	+17.20
Raw Materials	187.75	-6.07	-3.13	+7.05
Service	164.72	-1.77	-1.06	+19.95
Utilities	167.36	-0.08	-0.05	+16.66

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

WORLD STOCK MARKETS

Thursday, Aug. 14

Prices in local currencies.
Telekurs

Amsterdam
AEX index: 935.59 Previous: 935.76

	High	Low	Close	Prev.
ABN-AMRO	46.70	44.30	46.70	45.20
Aegon	148.50	146	147.50	149
Ahold	58	56.10	57.30	55
Akzo Nobel	336.70	321.20	323	330.50
Baan Co.	141.50	137.40	139.40	136.50
Bols Wess cva	40.70	39.50	40.50	39.60
CSM cva	103.70	100.30	103.20	105
Dordtsche Pet	110	107	108	109.50
DSM	204.70	200.70	204	201
Elsevier	32.90	31.90	32.20	32.70
Fortis Amev	88	85.60	86.10	86.80
Getronics	72.80	70	70.40	70.20
G-Broc cva	63.50	60.80	62.20	63.80
Hagemeyer	112	106.60	107.80	110.70
Heineken	330.40	322	327.50	322.50
Hoogovens cva	127.50	118	126	118
Hunt Douglas	96	94	95	94.10
ING Group	96.10	93.80	95	95
KLM	74	71	73	70.50
KNP BT	49.30	48.10	48.80	48.80
KPN	81	78.50	79	80.10
Nedlloyd Gp	66.50	65.80	65.90	66.30
Nutricia	358.50	345.50	346.60	356
Oce Grinten	256	248.50	250	254.70
Philips Elec	156.80	151.20	155.80	155.40
Polygram	113.50	110.20	111.50	110.50
Randstad Hdg	87.50	82.60	87.50	85.90
Robeco	202.50	200.80	202.50	203.30
Rodamco	62.20	61.50	61.60	62.60
Rolinco	203.50	203	203	206.80
Rorento	118.40	117.90	118.40	118.60
Royal Dutch	110.30	107.50	107.60	110
Unilever cva	468.50	456	458.70	460
Vendex Intl	108.50	106.60	108	108.30
VNU	45.40	43.40	44.60	45.50
Wolters Kl cva	277	268.10	269.60	271.20

Bangkok
SET index: 628.69 Previous: 632.73

	High	Low	Close	Prev.
Adv Info Svc	228	222	224	224
Bangkok Bk F	240	234	236	240
Krung Thai Bk	30.50	29	29.25	31
PTT Explor	410	406	410	406
Siam Cement F	700	688	696	692
Siam Com Bk F	134	130	130	135
Telecomasia	44.25	43	43.75	43
Thai Airways	51.50	49	49	50
Thai Farm Bk F	151	149	150	149
Utd Comm	134	128	128	136

Bombay
Sensex 30 index: 4320.97 Previous: 4370.13

	High	Low	Close	Prev.
Bajaj Auto	884	864	874.75	881.50
Hindust Lever	1516	1450	1462.75	1518
Hindust Petm	508	495.50	505.50	496.50
Ind Dev Bk	113	108.50	110	112
ITC	580.50	572	572	574.50
Mahanagar Tel	285	277	278.50	282
Reliance Ind	375.50	368	369.25	373.25
State Bk India	325	318.50	321.25	322.75
Steel Authority	23	22	23	22.75
Tata Eng Loco	377	369.25	375.50	374.50

Brussels
BEL-20 index: 2417.87 Previous: 2399.10

	High	Low	Close	Prev.
Almanij	N.T.	N.T.	N.T.	16750
Barco Ind	7620	7410	7440	7540
BBL	9130	8800	8850	8970
CBR	3285	3160	3255	3160
Colruyt	18150	17200	17350	17600
Delhaize Lion	1910	1850	1885	1845
Electrabel	7800	7600	7680	7660
Electrafina	3560	3495	3550	3555
Fortis AG	7590	7330	7380	7460
Gevaert	3400	3320	3370	3380
GBL	5990	5600	5720	5890
Gen Banque	14700	14400	14550	14375
Kredietbank	15500	14875	15400	14875
Petrofina	14200	13800	13950	13950
Powerfin	4960	4870	4960	4890
Royale Belge	10500	10150	10275	10250
Soc Gen Belg	3450	3330	3390	3370
Solvay	21000	20550	20725	20625
Tractebel	14950	14700	14850	14700
UCB	127000	123800	126900	123500

Copenhagen
Stock index: 631.83 Previous: 632.23

	High	Low	Close	Prev.
BG Bank	398	392	395	394
Carlsberg B	344	340	340	345
Codan Fors	950.95	945	950	950
Danisco	385	372	378	377.47
Den Danske Bk	727	710	712	727
D/S Svendborg B	425000	424575	425000	435000
D/S 1912 B	295000	294705	295000	295000
FLS Ind B	245	237	239	240
Kob Lufthavne	731	720	720	725
Nvo Nordisk B	715.70	688	695	712
Sophus Ber B	975	955	957	981
Tele Danmk B	391	385.61	388	389
Tryg Baltica	425	416.34	425	420
Unidanmark A	426	423	425	425

Frankfurt
DAX: 4231.43 Previous: 4278.48

	High	Low	Close	Prev.
AMB B	1810	1800	1800	1802
Adidas	233	225.20	225.50	233
Allianz Hdg	423.50	416	421	427.50
Altana	146.50	143.10	146.10	140
Bk Berlin	49.90	49.50	49.80	49.95
BASF	70	68.01	68.67	72.20
Bayer Hypo Bk	69.30	68.70	69.25	70.20
Bay.Vereinsbank	95.45	94.60	95.30	95.50
Bayer	74.40	73	74.25	75.80
Beiersdorf	88.50	87.80	88.50	88
Bewag	40.90	40	40.65	40
BMW	1394	1360	1365	1413
CKAG Colonia	176.20	170	170	177
Commerzbank	66.90	64.70	66.60	66.40
Daimler Benz	146.20	144.50	145.10	147.10
Degussa	103	101	102	102.70
Deutsche Bank	116.70	114.60	116.45	117.50
Deut Telekom	40.90	40.20	40.25	41.40
Dresdner Bank	81	78.30	80.60	81.20
Fresenius	353	350	352	350
Fresenius Med	161	155.50	161	160
Fried. Krupp	378	363	376	365
Gehe	114.40	110.20	110.20	113.50
Heidelbg Zmt	155	153	154	155
Henkel pfd	105.30	104.70	104.70	106.40
HEW	455	455	455	450
Hochtief	91.80	88.70	91.80	91
Hoechst	78	75.70	76.10	81
Karstadt	688	678	686.50	694
Lahmeyer	99.50	98.30	99.50	98.50
Linde	1385	1368	1370	1395
Lufthansa	35.75	35.50	35.70	36.15
MAN	544	540	541.50	544
Mannesmann	839	834	834.50	850
Metallgesellschaft	41.25	40.05	40.25	41.25
Metro	95	94	94.70	96
Munch Rueck R	6445	6360	6430	6475
Preussag	566	559	565	555.20
RWE	87.60	85.20	87	80
SAP pfd	428	426	426.50	426
Schering	200.90	199	200.10	201.10
SGL Carbon	232.70	229	229.70	240
Siemens	120.50	119.30	120.30	122.15
Springer (Axel)	1575	1555	1560	1600
Suedzucker	865	855	865	864
Thyssen	434.80	430	434.50	428.50
Veba	107.20	106.10	106.10	107.65
VEW	573.50	572	573.50	573
Viag	779	773	774	780
Volkswagen	1317	1295	1317	1325

Helsinki
HEX General index: 3576.84 Previous: 3600.85

	High	Low	Close	Prev.
Enso A	51	49.50	50	51
Huhtamaki I	238.50	236	236	239
Kemira	49	48.20	48.40	48.90
Kesko	75	74.20	74.50	75
Merita A	23.20	22.30	23	22.90
Metra B	181	175	176	182.50
Metso-Serla B	52.50	50.20	52.50	51.50
Neste	149	145	149	147
Nokia A	467	459	464	465
Orion-Yhtymae	193	190	192.50	193
Outokumpu A	103.50	101	102	105
UPM Kymmene	141	139.20	139.90	142
Valmet	84.50	83	84	84.50

Hong Kong
Hang Seng: 14497.71 Previous: 14482.93

	High	Low	Close	Prev.
Amoy Props	9.20	9	9.15	9.10
Bk East Asia	32.20	31.20	32.20	31.20
Cathay Pacific	14.45	14.25	14.35	14.20
Cheung Kong	94.75	92.75	94.25	92.75
CK Infrastruct	27	26.25	26.85	27
China Light	43.50	42.90	43	43.70
Citic Pacific	51.75	50.50	51	52
Dao Heng Bk	46.50	46.20	46.20	46.50
First Pacific	9.60	9.35	9.35	9.50
Hang Lung Dev	14.90	14.75	14.80	14.75
Hang Seng Bk	109	105.50	107	107
Henderson Inv	9.25	9.05	9.15	9.20
Henderson Ld	74	72	73	73
HK China Gas	16.90	16.70	16.80	16.75
HK Electric	30.80	30.50	30.50	30.80
HK Telecomm	18.95	18.75	18.80	19
Hopewell Hdgs	5.45	4.72	5.30	4.70
HSBC Hdgs	279	272	277	274
Hutchison Wh	82	79.75	81.50	81.50
Hysan Dev	26.10	25.80	25.85	25.85
Johnson El Hdg	21.50	21.25	21.50	21.10
Kerry Props	20.75	20.60	20.60	20.75
New World Dev	55.75	53.75	55	56
Oriental Press	2.90	2.85	2.88	2.90
Pearl Oriental	1.32	1.27	1.27	1.31
SHK Props	100	98.50	99.25	99.25
Shun Tak Hdgs	4.85	4.75	4.83	4.75
Sino Land Co.	8.20	7.95	8.05	8.25
Sth China Post	7.70	7.50	7.55	7.70
Swire Pac A	71.25	70	70	71
Wharf Hdgs	32.40	32	32.20	32.40
Wheelock	18.60	18.30	18.40	18.35

Jakarta
Composite index: 643.01 Previous: 658.68

	High	Low	Close	Prev.
Astra Intl	8050	7825	7875	8000
Bk Intl Indon	1600	1400	1400	1575
Bk Negara	1425	1325	1350	1425
Gudang Garm	9400	9000	9400	9350
Indocement	3875	3700	3800	3875
Indofood	4800	4800	4800	4900
Indosat	7075	7050	7075	7050
Sampoerna HM	8200	7800	7800	8200
Semen Gresik	3825	3575	3575	3850
Telekomunikasi	3800	3650	3675	3725

Johannesburg
All Market: 7538.29 Previous: 7537.99

	High	Low	Close	Prev.
Amalgamld Bks	32	31.45	32	31.85
AngloAm Coal	260	256.75	260	256.75
AngloAm-Corp	265.25	261	261.75	264.50
AngloAm Gold	273.50	270	272	270
AngloAm Ind	211	210	210.25	210.75
AVMIN	12.15	11.90	12.15	11.90
Barlow	59	58.75	59	59
C.G. Smith	25.85	25.60	25.65	25.80
De Beers	155	151	153	154.50
Driefontein	35.50	35.25	35.40	35.35
Fst Natl Bk	39.75	38.90	39.20	39.50
Gencor	10.50	10.35	10.50	10.50
GFSA	97.50	96.50	97.50	97
Imperial Hdgs	61.50	60	61.50	60
Ingwe Coal	24.25	24	24.25	24
Iscor	3.19	3.10	3.12	3.18
Johnnies Indl	66.50	64.50	65	65
Liberty Hdgs	376	373.50	373.50	377
Liberty Life	144.50	142.75	143.25	144.25
LibLife Strat	18.75	18.55	18.55	18.55
Minorco	98.25	97.25	98	98
Nampak	19.80	19.25	19.55	19.20
Nedcor	96.25	95.25	95.75	96.50
Rembrandt Gp	46.60	46.35	46.50	46.40
Richemont	68.50	66.75	67.25	68.25
Rust Platinum	84.25	82.50	84	84.25
SA Breweries	146.50	144.50	146	146
Samancor	39.90	39.90	39.90	40
Sasol	60	59.50	59.75	59.50
SBIC	221	220	220.25	221
Tiger Oats	79.50	77	77	79.75

Kuala Lumpur
Composite: 918.54 Previous: 908.83

	High	Low	Close	Prev.
AMMB Hdgs	12.40	12.20	12.30	12.20
Genting	10.70	10.40	10.60	10.60
Mal Banking	22.80	22.20	22.60	22.50
Mal Intl Ship F	5.95	5.55	5.95	5.55
Petronas Gas	9.35	9.20	9.25	9.20
Proton	9	8.75	8.80	9
Public Bk	3.52	3.46	3.46	3.54
Renong	3.40	3.30	3.30	3.40
Resorts World	7.75	7.50	7.65	7.50
Rothmans PM	25.25	24.80	24.80	25
Sime Darby	7.90	7.80	7.85	7.80
Telekom Mal	9.15	8.80	9	8.80
Tenaga	9.85	9.55	9.80	9.40
Utd Engineers	16.30	16	16	16.20
YTL	7.20	6.90	7	7.20

London
FT-SE 100: 4991.30 Previous: 5001.00

	High	Low	Close	Prev.
Abbey Natl	8.37	8.07	8.10	8.22
Allied Domecq	4.89	4.73	4.81	4.73
Anglian Water	7.73	7.68	7.69	7.70
Argos	6.40	6.25	6.26	6.35
Asda Group	1.52	1.48	1.51	1.50
Assoc Br Foods	5.42	5.35	5.35	5.41
BAA	5.94	5.83	5.90	5.88
Barclays	14.35	14.08	14.15	14.23
Bass	8.40	8.28	8.39	8.40
BAT Ind	5.34	5.18	5.22	5.17
Bank Scotland	4.35	4.20	4.21	4.28
Blue Circle	4.43	4.33	4.37	4.47
BOC Group	11.43	11.20	11.33	11.26
Boots	7.96	7.86	7.95	7.84
BPB Ind	3.49	3.45	3.45	3.49
Brit Aerosp	15.15	15	15.04	15.02
Brit Airways	6.25	6.25	6.29	6.30
BG	2.63	2.55	2.60	2.57
Brit Land	6.08	6.01	6.07	6.10
Brit Petro	9.07	8.77	8.79	9.17
BSkyB	4.79	4.63	4.70	4.82
Brit Steel	1.76	1.74	1.75	1.74
Brit Telecom	4.42	3.86	3.88	3.98
BTR	2.17	1.95	2.13	2.01
Burmah Castrol	11.34	11	11.28	11.28
Burton Gp	1.29	1.26	1.28	1.27
Cable Wireless	5.84	5.76	5.76	5.82
Cadbury Schw	6.25	6.09	6.22	6.07
Carlton Comm	4.92	4.82	4.90	4.90
Comml Union	7.38	7.30	7.38	7.42
Compass Gp	6.47	6.38	6.39	6.49
Courtaulds	3.50	3.37	3.40	3.43
Dixons	6.18	6.07	6.10	6.19
Electrocomponents	4.87	4.83	4.86	4.85
EMI Group	5.77	5.63	5.64	5.75
Energy Group	6.30	6.27	6.27	6.27
Enterprise Oil	7.16	7.04	7.10	7.14
Fom Colonial	1.80	1.79	1.79	1.79
Genl Accident	9.60	9.40	9.41	9.60
GEC	3.94	3.85	3.87	3.88
GKN	12.90	12.74	12.84	12.72
Glaxo Wellcome	12.52	12.31	12.39	12.25
Granada Gp	8.10	8	8.04	8.10
Grand Met	5.94	5.83	5.90	5.90
GRE	2.91	2.85	2.89	2.95
Greenalls Gp	4.80	4.68	4.76	4.67
Guinness	5.90	5.83	5.87	5.81
GUS	6.45	6.35	6.38	6.39
Hays	6.15	6.05	6.07	6.08
HSBC Hldgs	22.56	22.34	22.45	22.50
ICI	10.73	10.62	10.65	10.53
Impl Tobacco	4.07	3.98	4.05	4
Kingfisher	7.44	7.28	7.32	7.44
Ladbroke	2.57	2.48	2.51	2.56
Land Sec	9.53	9.40	9.45	9.47
Lasmo	2.80	2.75	2.76	2.75
Legal Genl Grp	4.57	4.50	4.50	4.54
Lloyds TSB Gp	7.57	7.38	7.47	7.60
LucasVarity	2.09	2.06	2.08	2.07
Marks Spencer	5.99	5.92	5.97	5.93
MEPC	4.90	4.84	4.89	4.88
Mercury Asset	13.85	13.65	13.74	13.68
National Grid	2.51	2.47	2.49	2.49
Natl Power	5.40	5.21	5.21	5.32
NatWest	8.41	8.13	8.15	8.30
Next	8.02	7.75	7.91	8.05
Norwich Union	3.58	3.26	3.37	3.34
Orange	2.23	2.16	2.21	2.14
P&O	6.40	6.30	6.37	6.29
Pearson	7.82	7.53	7.66	7.80
Pilkington	1.54	1.49	1.49	1.53
PowerGen	7.30	7.13	7.18	7.29
Premier Farnell	5.56	5.45	5.49	5.45
Prudential	6.26	6.14	6.16	6.30
Railtrack Gp	8.03	7.81	7.85	7.96
Rank Group	3.51	3.38	3.42	3.41
Reckitt Colm	9.67	9.60	9.66	9.59
Redland	3.12	3.03	3.03	3.09
Reed Intl	5.77	5.61	5.62	5.70
Rentokil Initial	2.26	2.20	2.22	2.27
Reuters Hdgs	6.62	6.50	6.53	6.62
Rexam	2.88	2.80	2.83	2.85
RTZ reg	10.57	10.41	10.42	10.47
RMC Group	10.72	10.45	10.53	10.65
Rolls Royce	2.54	2.49	2.49	2.51
Royal Bk Scot	6.19	5.18	6.02	6.12
Royal & Sun All	5.41	5.33	5.34	5.35
Safeway	3.92	3.88	3.91	3.90
Sainsbury	4.57	4.51	4.53	4.51
Schroders	19.15	18.85	18.85	19.10
Scot Newcastle	7.52	7.45	7.51	7.42
Scot Power	4.37	4.28	4.30	4.40
Securicor	2.97	2.93	2.96	2.94
Severn Trent	8.49	8.40	8.40	8.40
Shell Transp R	4.43	4.28	4.36	4.46
Siebe	11.85	11.72	11.72	11.71
Smith Nephew	1.80	1.76	1.78	1.76
SmithKline	11.46	11.21	11.21	11.29
Smiths Ind	8.54	8.43	8.44	8.59
Sthern Elec	4.52	4.43	4.43	4.44
Stagecoach	6.92	6.70	6.85	6.74
Stand Charter	10.67	10.50	10.50	10.62
Tate & Lyle	4.20	4.11	4.16	4.12
Tesco	4.23	4.15	4.20	4.23
Thames Water	7.92	7.86	7.92	7.86
3i Group	4.93	4.89	4.90	4.89
TI Group	6.09	6	6.03	6.06
Tomkins	3.33	3.28	3.32	3.29
Unilever	18.96	18.46	18.53	18.80
Utd Assurance	4.70	4.60	4.60	4.70
Utd News	7.12	7.02	7.05	7.10
Utd Utilities	7.12	7.03	7.06	7.08
Vendome Lx ufs	5.12	5.07	5.07	5.11
Vodafone	3.24	3.19	3.22	3.18
Whitbread	8.47	8.32	8.34	8.40
Williams Hdgs	3.55	3.51	3.51	3.53
Wolseley	4.92	4.77	4.77	4.90
WPP Group	2.72	2.65	2.70	2.75
Zeneca	19.97	18.85	19.10	18.80

Madrid
Bolsa index: 589.45 Previous: 592.57

	High	Low	Close	Prev.
Acerinox	27000	26800	26870	27020
ACESA	1820	1800	1810	1805
Aguas Barcelon	5820	5680	5770	5760
Argentaria	7960	7840	7910	7960
BBV	4190	4140	4160	4190
Banesto	1435	1405	1420	1430
Bankinter	7590	7490	7520	7540
Bco Centro Hisp	5840	5730	5760	5820
Bco Popular	34410	34010	34020	34200
Bco Santander	4270	4180	4230	4205
CEPSA	4775	4625	4735	4750
Continente	3390	3260	3340	3340
Corp Mapfre	8690	8500	8500	8590
Endesa	3250	3185	3220	3220
FECSA	1270	1250	1270	1265
Gas Natural	6720	6600	6650	6620
Iberdrola	1835	1805	1820	1835
Pryca	3060	2955	2965	2970
Repsol	6180	6120	6130	6140
Sevillana Elec	1420	1400	1405	1410
Tabacalera	7780	7570	7600	7660
Telefonica	4105	4080	4095	4090
Union Fenosa	1225	1205	1220	1230
Valenc Cement	2770	2750	2760	2765

Manila
PSE index: 2492.49 Previous: 2527.08

	High	Low	Close	Prev.
Ayala B	17	16.50	16.50	17
Ayala Land	20.25	19.25	19.50	19.75
Bk Philip Isl	145	143	144	145
C&P Homes	9.60	9.40	9.50	9.50
Manila Elec A	83.50	81.50	81.50	83.50
Metro Bank	515	500	505	510
Petron	5.80	5.70	5.70	5.70
PCIBank	210	202	205	210
Phil Long Dist	875	865	870	875
San Miguel B	57	56	56	57
SM Prime Hdg	7.50	7.40	7.40	7.50

Mexico
Bolsa index: 5084.55 Previous: 5016.63

	High	Low	Close	Prev.
Alfa A	66.10	65.50	65.50	65.50
Banacci B	24.50	24.00	24.10	23.90
Cemex CPO	42.15	41.30	41.30	41.70
Cifra C	14.14	14.00	14.14	13.98
Emp Moderna	43.00	42.90	42.90	42.80
Gpo Carso A1	59.30	58.00	58.50	58.50
Gpo F Bcomer	3.78	3.66	3.68	3.70
Gpo Fin Inbursa	36.10	36.00	36.05	36.00
Kimb Clark Mex	37.50	37.00	37.45	37.00
Televisa CPO	134.60	133.60	133.60	132.50
TelMex L	20.45	20.10	20.15	20.20

Milan
MIB Telematico: 14405.00 Previous: 14398.00

	High	Low	Close	Prev.
Alleanza Assic	15000	14615	14615	14890
Bca Comm Ital	4580	4440	4550	4465
Bca Fideuram	5650	5510	5550	5525
Bca di Roma	1583	1551	1560	1557
Benetton	26750	26200	26200	26300
Credito Italiano	3625	3520	3610	3540
Edison	8525	8330	8420	8300
ENI	10220	10050	10075	10170
Fiat	5710	5605	5620	5705
Generali Assic	37100	36300	36900	36450
IMI	16600	16470	16490	16400
INA	2650	2605	2620	2615
Italgas	5385	5325	5355	5315
Mediaset	7910	7810	7815	7880
Mediobanca	11585	11410	11465	11350
Montedison	1123	1113	1113	1115
Olivetti	665	654	665	653
Parmalat	2690	2610	2635	2590
Pirelli	4810	4745	4745	4780
RAS	15000	14690	14800	14795
Rolo Banca	21800	21050	21350	20800
S Paolo Torino	13800	13200	13800	13405
Telecom Italia	11115	10915	10945	10940
TIM	6100	5980	6005	6010

Montreal
Industrials index: 3621.49 Previous: 3634.83

	High	Low	Close	Prev.
Bce Mob Com	51	50.35	50.35	51
Cdn Tire A	27¼	27.15	27¼	27.20
Cdn Util A	39.45	39.20	39.45	39.45
CT Finl Svc	44	43½	43½	43.85
Gaz Metro	18.45	18½	18½	18.65
Gt-West Lifeco	32½	32	32¼	32.65
Imasco	41.85	41¼	41½	41.40
Investors Grp	36	35¼	35¼	36.20
Loblaw Cos	20.45	20½	20½	20½
Natl Bk Canada	17.60	17.25	17.55	17¼
Power Corp	39	38.80	38.85	38.85
Power Finl	37	36½	37	37
Quebecor B	27.35	26½	27	27.35
Rogers Comm B	11	11	11	10¾
Royal Bk Cda	64	63.45	63.45	63.60

Oslo
OBX index: 703.43 Previous: 708.10

	High	Low	Close	Prev.
Aker A	137	130	135	136
Bergesen Dy A	205	201	204	202
Christiania Bk	26.30	25.50	25.80	26.30
Den norske Bk	31.40	31	31.30	31.50
Elkem	153	147	147	149
Hafslund A	46	45.50	45.50	46
Kvaerner Asa	478	471	473	478
Norsk Hydro	415	409	412	411
Norske Skog A	300	293	293	295
Nycomed A	159	155	156	159.50
Orkla Asa A	558	550	558	555
Petrol GeoSvc	427	417.50	425.50	425
Saga Petm A	152.50	149.50	150	152
Schibsted	131	128	128	131
Transocean Off	N.T.	N.T.	N.T.	620
Storebrand Asa	50	49.50	49.90	49.80

Paris
CAC-40: 2921.84 Previous: 2924.04

	High	Low	Close	Prev.
Accor	976	963	966	971
AGF	220.80	216.50	220	217
Air Liquide	940	931	932	936
Alcatel Alsth	829	813	829	818
Axa-UAP	415	410.30	412.10	411.50
Bancaire	740	724	726	740
BIC	494.80	482	494.20	486
BNP	279	273.60	275.90	279.50
Canal Plus	1100	1066	1076	1093
Carrefour	3950	3897	3898	3916
Casino	282	278.10	280.90	280
CCF	326	321.20	325	326
Cetelem	679	665	673	670
Christian Dior	952	937	945	948
CLF-Dexia Fran	573	561	571	560
Credit Agricole	1265.10	1265	1265.10	1265.10
Danone	935	923	928	932
Elf-Aquitaine	662	648	655	658
Eridania BS	846	825	826	827
Eurodisney	8.80	8.60	8.60	8.50
Eurotunnel	7.10	6.90	7.10	7.10
Gen. Eaux	725	706	721	722
Havas	394	385	385	386.20
Imetal	867	849	858	862
Lafarge	429	415.50	424.90	424.60
Legrand	1165	1127	1127	1151
L'Oreal	2350	2301	2320	2334
LVMH	1479	1446	1467	1460
Michelin B	368.50	362.10	367.90	364
Paribas A	452	445.30	446.50	448.50
Pernod Ricard	308.60	301.20	301.90	305.20
Peugeot Cit	728	707	708	719
Pinault-Print	2699	2637	2685	2699
Promodes	2210	2154	2177	2192
Renault	169	164	166.30	164.40
Rexel	1650	1610	1650	1625
Rh-Poulenc A	245.90	240.60	242.80	240.20
Sanofi	610	598	603	603
Schneider	339.70	335	338	338
SEB	1010	990	1004	992
SGS Thomson	571	551	571	555
Ste Generale	810	797	798	802
Sodexho	2905	2881	2895	2900
St Gobain	896	871	878	892
Suez (Cie)	15.20	15.10	15.20	15.25
Suez Lyon Eaux	631	620	630	627
Synthelabo	733	725	729	718
Thomson CSF	154.70	152	152.60	151
Total B	593	582	590	586
Usinor	113.50	110.20	112.10	111.40
Valeo	369	363.40	365	365.30

São Paulo
Bovespa index: 11854.10 Previous: 11850.70

	High	Low	Close	Prev.
Bradesco Pfd	11.40	11.00	11.00	11.10
Brahma Pfd	818.00	813.00	813.00	811.99
Cemig Pfd	57.00	55.50	56.00	55.98
CESP Pfd	85.00	83.00	83.50	82.50
Copel	17.25	17.00	17.25	17.02
Eletrobras	540.00	525.00	525.00	542.17
Itaubanco Pfd	645.00	625.00	630.00	650.00
Light Servicios	525.10	520.00	520.00	522.00
Lightpar	467.00	464.95	465.00	467.00
Petrobras Pfd	320.00	312.00	314.00	306.00
Paulista Luz	210.01	209.00	209.00	210.00
Sid Nacional	36.30	36.20	36.20	36.20
Souza Cruz	11.00	11.00	11.00	11.00
Telebras Pfd	148.80	144.80	145.00	144.00
Telemig	194.00	191.00	191.01	192.00
Telerj	158.00	154.98	156.50	157.00
Telesp Pfd	348.00	342.50	345.00	338.01
Unibanco	39.49	39.30	39.49	39.29
Usiminas Pfd	11.55	11.50	11.50	11.25
CVRD Pfd	28.19	26.51	26.51	27.71

Seoul
Composite Index: 755.78 Previous: 762.73

	High	Low	Close	Prev.
Dacom	97500	95100	95500	97500
Daewoo Heavy	8100	7910	7950	8130
Hyundai Eng.	21600	21400	21500	21500
Kia Motors	14100	13300	13300	13500
Korea El Pwr	26700	25500	25700	26800
Korea Exch Bk	5700	5540	5640	5610
LG Semicon	48000	45300	45500	48100
Pohang Iron St	62200	60900	61100	61900
Samsung Display	49200	46700	48700	48800
Samsung Elec	74500	72500	73500	74700
Shinhan Bank	9600	9500	9550	9510
SK Telecom	503000	497000	500000	503000

Singapore
Straits Times: 1891.77 Previous: 1875.38

	High	Low	Close	Prev.
Asia Pac Brew	5.55	5.40	5.40	5.40
Cerebos Pac	5.25	5.15	5.15	5.10
City Devlts	12.20	11.70	12	11.50
Cycle Carriage	11.60	11.40	11.50	11.60
Dairy Farm Int *	0.96	0.91	0.95	0.92
DBS foreign	17.10	16.70	17	17.40
DBS Land	4.48	4.38	4.40	4.42
Fraser & Neave	9.10	8.70	8.80	8.90
HK Land *	3.44	3.24	3.38	3.24
Jard Matheson *	7.85	7.70	7.80	7.85
Jard Strategic *	4.22	4.04	4.18	4.08
Keppel A	5.85	5.60	5.80	5.75
Keppel Bank	3.70	3.60	3.62	3.70
Keppel Fels	4.64	4.50	4.64	4.52
Keppel Land	4.24	4.12	4.18	4.12
OCBC foreign	13.60	12.50	12.60	13.60
OS Union Bk F	8.30	7.65	8.05	8.55
Parkway Hdgs	6.45	6.35	6.35	6.45
Sembawang	6.48	6.20	6.25	6.35
Sing Air foreign	12	11.60	11.60	12.40
Sing Land	7.05	6.90	7	7.10
Sing Press F	25.90	24.10	24.70	26.40
Sing Tech Ind	3.70	3.64	3.70	3.70
Sing Telecomm	2.50	2.46	2.46	2.48
Tat Lee Bank	2.76	2.74	2.74	2.74
Utd Industrial	1.08	1.05	1.07	1.07
Utd OSea Bk F	13.40	12.60	12.90	13.70
Wing Tai Hdgs	3.76	3.70	3.70	3.80

*: in U.S. dollars.

Stockholm
SX 16 index: 3527.16 Previous: 3528.44

	High	Low	Close	Prev.
AGA B	111	109	111	109.50
ABB A	119	116.50	119	117.50
AssiDoman	247	241	244	244.50
Astra A	137	133.50	136.50	134.50
Atlas Copco A	257.50	254	256.50	255
Autoliv	288	285	288	285.50
Electrolux B	620	602	607	613
Ericsson B	362	352.50	355	356
Hennes B	324	315.50	317	318
Incentive A	760	750	751	763
Investor B	419	410	415	417
MoDo B	302	291.50	296	297
Nordbanken	275	265	267	270
Pharm/Upjohn	282	273.50	280.50	277
Sandvik B	258	254	258	253
Scania B	218.50	215.50	217	214.50
SCA B	197	191	193	192.50
S-E Banken A	91.50	85.50	86	90
Skandia Fors	335	325.50	329	333
Skanska B	336	332	336	335
SKF B	225.50	223	225	222
Sparbanken A	188	182	183	187
Stora A	142.50	139	139.50	141
Sv Handles A	265.50	250	260	264.50
Volvo B	229	226	227.50	228

Sydney
All Ordinaries: 2627.40 Previous: 2623.60

	High	Low	Close	Prev.
Amcor	8.30	8.10	8.13	8.24
ANZ Bking	10.30	9.98	10.02	10
BHP	17.35	17.11	17.22	17.13
Boral	3.85	3.80	3.81	3.84
Brambles Ind.	26.99	26.64	26.80	26.71
CBA	16.70	16.30	16.48	16.28
CC Amatil	14.94	14.81	14.86	14.85
Coles Myer	6.49	6.42	6.47	6.40
Comalco	6.60	6.45	6.49	6.52
CSR	4.97	4.90	4.92	4.96
Fosters Brew	2.63	2.59	2.61	2.57
Goodman Fld	1.98	1.94	1.96	1.97
ICI Australia	12.88	12.80	12.87	12.84
Lend Lease	29.40	28.75	28.97	28.76
MIM Hdgs	1.75	1.70	1.74	1.72
Nat Aust Bank	19.07	18.78	18.91	18.84
Nat Mutual Hdg	2.09	2.07	2.08	2.08
News Corp	5.99	5.85	5.88	5.85
Pacific Dunlop	3.57	3.50	3.52	3.57
Pioneer Intl	4.80	4.74	4.80	4.74
Pub Broadcast	8.03	8	8.03	7.90
Rio Tinto	21.18	21	21.05	21.17
St George Bank	8.42	8.30	8.32	8.38
WMC	7.45	7.31	7.31	7.41
Westpac Bking	8.35	8.18	8.22	8.19
Woodside Pet	11.10	10.92	10.94	11
Woolworths	4.17	4.08	4.11	4.16

Taipei
Stock Market index: 9432.34 Previous: 9556.12

	High	Low	Close	Prev.
Cathay Life Ins	149	145.50	146	147
Chang Hwa Bk	116	114	114.50	115
Chiao Tung Bk	76	73	76	72
China Develpmt	122	118	119	120
China Steel	31.30	30.60	31.10	31.10
First Bank	117	114	114.50	115.50
Formosa Plastic	63	62	62.50	62
Hua Nan Bk	121	117	117	119.50
Intl Comm Bk	57	56	56.50	56
Nan Ya Plastics	73	71.50	72	72.50
Shin Kong Life	100.50	98	99	98
Taiwan Semi	145	138	142.50	142.50
Tatung	46.70	45.60	45.80	46.60
Utd Micro Elec	124	117	123.50	120
Utd World Chin	64.50	63	63.50	63.50

Tokyo
Nikkei 225: 19222.42 Previous: 19808.48

	High	Low	Close	Prev.
Ajinomoto	1080	1040	1050	1070
All Nippon Air	708	695	702	690
Amway	3480	3430	3470	3470
Asahi Bank	862	852	860	862
Asahi Chem	618	600	601	621
Asahi Glass	1020	1000	1020	1010
Bk Tokyo Mitsu	2300	2260	2300	2270
Bk Yokohama	530	516	529	527
Bridgestone	2750	2700	2750	2730
Canon	3750	3600	3730	3550
Chubu Elec	2040	2020	2030	2040
Chugoku Elec	1940	1930	1940	1950
Dai Nipp Print	2760	2720	2760	2730
Daiei	855	850	853	860
Dai-Ichi Kang	1460	1440	1460	1450
Daiwa Bank	589	575	583	584
Daiwa House	1430	1350	1420	1330
Daiwa Sec	766	751	754	760
DDI	7320a	7070a	7170a	7050a
Denso	2870	2750	2850	2750
East Japan Ry	5530a	5450a	5500a	5350a
Eisai	2480	2450	2470	2480
Fanuc	5190	4960	5090	4970
Fuji Bank	1550	1520	1540	1520
Fuji Photo	4830	4700	4810	4670
Fujitsu	1700	1670	1700	1650
Hachijuni Bk	1130	1120	1130	1120
Hitachi	1280	1250	1260	1260
Honda Motor	3780	3680	3780	3650
IBJ	1760	1720	1750	1740
IHI	391	365	390	365
Itochu	520	511	520	513
Ito-Yokado	6650	6600	6650	6620
JAL	475	467	468	472
Japan Tobacco	9430a	9370a	9420a	9370a
Jusco	3420	3360	3400	3350
Kajima	602	589	602	583
Kansai Elec	2190	2160	2190	2190
Kao	1770	1730	1770	1740
Kawasaki Hvy	474	464	471	467
Kawa Steel	320	305	320	305
Kinki Nipp Ry	682	675	682	678
Kirin Brewery	995	975	980	999
Kobe Steel	181	175	179	175
Komatsu	817	785	815	784
Kubota	482	475	476	476
Kyocera	9250	8990	9250	9070
Kyushu Elec	1960	1920	1960	1970
LTCB	575	555	572	550
Marubeni	448	431	446	438
Marui	1900	1870	1900	1860
Matsu Comm	4800	4600	4790	4600
Matsu Elec Ind	2410	2380	2400	2380
Matsu Elec Wk	1350	1330	1340	1340
Mitsubishi	1320	1290	1300	1300
Mitsubishi Ch	309	300	304	296
Mitsubishi El	608	583	608	593
Mitsubishi Est	1730	1680	1700	1690
Mitsubishi Hvy	814	801	804	812
Mitsubishi Mat	684	670	684	657
Mitsubishi Tr	1750	1700	1750	1720
Mitsui	1090	1070	1090	1070
Mitsui Fudosn	1520	1470	1490	1490
Mitsui Trust	729	709	725	725
Murata Mfg	5630	5520	5630	5700
NEC	1620	1590	1610	1590
Nikko Sec	2520	2360	2510	2320
Nikon	630	611	614	628
Nintendo	11000	10700	11000	10800
Nipp Express	760	746	748	752
Nippon Oil	527	513	515	525
Nippon Steel	320	310	319	312
Nissan Motor	763	750	757	757
NKK	201	196	198	196
Nomura Sec	1680	1650	1670	1670
NTT	1210b	1180b	1200b	1200b
NTT Data	5460b	5300b	5440b	5270b
Oji Paper	598	586	593	585
Osaka Gas	277	270	277	271
Ricoh	1820	1770	1810	1780
Rohm	14500	14400	14500	14000
Sakura Bk	743	720	733	715
Sankyo	4130	4060	4080	4130
Sanwa Bank	1630	1580	1600	1620
Sanyo Elec	446	432	446	436
Secom	8810	8650	8700	8640
Seibu Rwy	5320	5290	5310	5300
Sekisui Chem	995	960	992	962
Sekisui House	1190	1170	1180	1160
Seven-Eleven	8990	8950	8960	8990
Sharp	1360	1330	1340	1330
Shikoku El Pwr	1960	1930	1950	1940
Shimizu	604	588	589	601
Shin-etsu Ch	3410	3350	3380	3320
Shiseido	2090	2050	2080	2050
Shizuoka Bk	1220	1210	1220	1220
Softbank	5910	5800	5900	5900
Sony	11600	11300	11500	11400
Sumitomo	1020	989	995	1010
Sumitomo Bk	1910	1870	1910	1890
Sumit Chem	450	435	450	442
Sumitomo Elec	1960	1930	1940	1930
Sumit Metal	282	272	281	274
Sumit Trust	1220	1190	1220	1180
Taisho Pharm	3150	3050	3150	3050
Takeda Chem	3630	3540	3580	3610
TDK	9870	9730	9840	9720
Tohoku El Pwr	1960	1930	1940	1960
Tokai Bank	1040	1020	1040	1040
Tokio Marine	1540	1510	1520	1530
Tokyo El Pwr	2230	2210	2220	2220
Tokyo Electron	7750	7430	7650	7320
Tokyo Gas	292	284	291	285
Tokyu Corp.	632	620	631	610
Tonen	1150	1120	1140	1130
Toppan Print	1850	1810	1830	1800
Toray Ind	791	783	785	782
Toshiba	736	717	727	717
Tostem	2420	2300	2420	2370
Toyo Trust	980	956	974	952
Toyota Motor	3280	3120	3260	3180
Yamanouchi	2980	2910	2980	2920

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6764.95 Previous: 6791.82

	High	Low	Close	Prev.
Abitibi Cons.	26.60	26	26.55	25¾
Alberta Energy	32¾	32	32	32½
Alcan Alum	52.80	51.60	51.60	52.70
Anderson Expl	18	17.35	17.40	17.90
Bk Montreal	56.95	56.40	56.40	56.60
Bk Nova Scotia	64.30	63.85	63.85	63.90
Barrick Gold	33	32.10	32.30	33.10
BCE	40.40	39.65	39.70	40.05
BC Telecomm	35¼	35	35	35
Biochem Pharm	36	36	36	34
Bombardier B	32.80	32.45	32.45	32.65
Cameco	54	53.20	53.20	54.35
CIBC	38¼	37.80	37.80	37.85
Cdn Natl Rail	69¾	68.80	69.45	69
Cdn Nat Res	37½	37.30	37.40	37.30
Cdn Occid Pet	35.70	35.05	35.05	35.35
Cdn Pacific	42¾	42.35	42.40	42.30
Cominco	38½	38	38	38
Dofasco	30¼	29.95	30.15	29.95
Domtar	11.95	11.80	11.95	11.90
Donohue A	34.15	34	34	34.20
Du Pont Cda A	32.35	32¼	32.35	32.45
EdperBrascan	23¾	23	23¼	23.80
EuroNev Mng	23½	23	23.35	23½
Fairfax Finl	385	379	382	382.45
Falconbridge	28.10	27.90	27.90	28.10
Fletcher Chall A	24.30	24.10	24.10	24.30
Franco Nevada	34¼	33½	33.70	34
Gulf Cda Res	10.45	10.30	10.35	10.30
Imperial Oil	75	74.60	74.65	74¾
Inco	41.45	40.60	40.60	40.95
IPL Energy	51.20	51.05	51.20	51.20
Laidlaw B	21.10	20.60	20¾	20.90
Loewen Group	44¼	43½	43.65	44
Macmill Bld	19.15	18.85	19	18.80
Magna Intl A	88.10	87½	87.60	87.80
Methanex	12.15	11¾	11.95	12¼
Moore	29.90	29	29.15	28.90
Newbridge Net	61½	60.10	60¼	61¼
Noranda Inc	29¾	29¼	29¾	29.70
Norcen Energy	34	33¾	33¾	33.60
Nthern Telecom	140.45	137	137	138¾
Nova	11.85	11.65	11.65	11.70
Onex	32.20	32	32.10	32
Pancdn Petlm	26.60	26.40	26.60	26.70
Petro Cda	26.40	26	26.15	26.10
Placer Dome	24.80	24.30	24.30	24.90
Poco Petlm	13.80	13.65	13.65	13.80
Potash Sask	106	104.95	105.10	104¼
Renaissance	36.10	35¼	35¼	35
Rio Algom	35.40	34.90	35	35
Rogers Cantel B	28½	27.60	28½	28¼
Seagram Co	49.10	48.30	48.60	48
Shell Cda A	23.05	21¾	22¼	22.85
Suncor	43¾	42.55	43¾	43.85
Talisman Eny	45.90	43.80	44	43¾
Teck B	28	27½	27½	28.05
Teleglobe	51	50	50¼	50¾
Telus	26¾	26.60	26.70	26.65
Thomson	34¼	33.55	33.55	33¾
TorDom Bank	41.95	41½	41.55	41½
TransAlta	17.35	17.20	17.30	17.20
TransCda Pipe	27.40	26.90	26.90	27.20
Trimark Finl	66.90	65.60	66.40	67
Trizec Hahn	32.65	32.35	32.65	32½
TVX Gold	7.20	7	7	7.15
Westcoast Eny	27	26.65	26.70	26.85
Weston	98	96½	97	100

Vienna
ATX index: 1382.75 Previous: 1408.14

	High	Low	Close	Prev.
Boehler-Uddeh	1028.90	1000	1006	1012.90
Creditanst Pfd	590	574.90	576	588
EA-Generali	3189.90	3111	3150	3140
EVN	1610.80	1573.50	1583.85	1605.80
Flughafen Wien	521.90	508.50	511.50	521
OMV	1787	1732	1736.90	1765.65
Oest Elektriz	876	870.50	875	877
VA Stahl	574	546	556.50	560
VA Tech	2479	2375.10	2390	2473.30
Wienerberg Bau	2656	2500	2549.75	2656

Wellington
NZSE-40 index: 2452.01 Previous: 2450.92

	High	Low	Close	Prev.
Air N Zeald B	4.60	4.55	4.56	4.55
Brierly Invt	1.36	1.36	1.36	1.35
Carter Holt ord	3.40	3.33	3.34	3.36
Fletch Ch Bldg	4.25	4.20	4.25	4.21
Fletch Ch Eny	5.40	5.33	5.38	5.32
Fletch Ch Forst	1.95	1.90	1.91	1.91
Fletch Ch Paper	3.30	3.21	3.23	3.26
Lion Nathan	3.94	3.91	3.92	3.92
Telecom NZ	7.44	7.39	7.42	7.38
Wilson Horton	N.T.	N.T.	N.T.	11.95

Zurich
SPI index: 3595.90 Previous: 3640.95

	High	Low	Close	Prev.
ABB B	2317	2285	2304	2287
Adecco B	553	548	550	550
Alusuisse R	1404	1375	1375	1400
Ares-Serono B	2710	2620	2620	2695
Alel R	855	850	850	851
Baer Hdg B	2284	2205	2210	2270
Baloise Hdg R	3995	3810	3860	3990
BK Vision	1200	1132	1155	1198
Ciba Spec Chem	136	132	135.50	134
Clariant R	1060	1036	1047	1052
Crd Suisse Gp R	192.25	186	186.25	190.25
Elektrowatt B	538	537	537	537
Ems-Chemie	6810	6745	6810	6800
ESEC Hdg	4775	4600	4600	4780
Holderbank B	1270	1231	1244	1273
Liechtenst LB B	599	593	593	595
Nestle R	1907	1886	1897	1908
Novartis R	2288	2203	2219	2279
Oerlikon Bueh R	161	150	155	158
Pargesa Hld B	1920	1890	1900	1925
PharmVisn B	955	917	917	950
Richemont A	2200	2185	2185	2100
Pirelli PC	340	338	339.50	340
Roche Hdg PC	13820	13350	13390	13770
SBC R	419.50	410	410	415
Schindler PC	1960	1930	1950	1930
SGS B	3060	3020	3050	3020
SMH B	900	882	894	898
Sulzer R	1225	1199	1219	1200
Swiss Reins R	2194	2150	2164	2190
Swissair R	1970	1900	1950	1946
UBS B	1595	1542	1565	1595
Winterthur R	1420	1371	1372	1416
Zurich Assur R	605	591	594	601

NYSE

Thursday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

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THE WORLD'S DAILY NEWSPAPER

Continued on Page 18

Hopewell's Shares Leap 12.8%

Speculation About an Investment From Beijing Sets Off Surge

Bloomberg News

HONG KONG — Shares in Hopewell Holdings Ltd., controlled by Sir Gordon Wu, rose nearly 13 percent Thursday on renewed speculation that the engineering company may sell a stake to Chinese interests.

The stock started to surge in the final hour of trading and ended at 5.30 Hong Kong dollars (60 U.S. cents), up 0.60, or 12.8 percent. It was the stock's highest close since July 17 and its biggest gain since March 1990.

"Once you put restructuring and Hopewell together, you'll see a jump in the share price," said Kent Rossiter, senior sales manager at Nikko Securities (H.K.) Ltd. "But a takeover would be about the only thing that could drive the shares that much."

Hopewell has lagged Hong Kong's benchmark stock index for the past couple of years, dogged by debt problems and its inability to get a $3.7 billion Bangkok transit project on track.

Before Thursday, its shares had risen 6 percent this year while the Hang Seng Index was gaining 23 percent.

The shares only started to climb in recent weeks on growing speculation that Chinese parties, including China Travel International Investment Hong Kong Ltd. and China Everbright Holdings Ltd., would buy a stake in the company.

Reuters

Hopewell's chief, Sir Gordon Wu.

Hopewell executives were not available for comment.

Sir Gordon, chairman and managing director of Hopewell, reported last month to Thailand's transportation and communications minister, Suwat Liptapallop, that his company would not be able to open the first phase of a planned $3.7 billion elevated transportation network in Bangkok for the Asian Games in December 1998 as promised. Sir Gordon blamed Thailand's economic and currency crisis.

Thailand said Aug. 1 that the company had missed a deadline for submitting revised plans for the project, one of three transit systems aimed at easing traffic congestion in Bangkok.

■ Three Gorges Dam Contractors

Chinese authorities are expected to announce in the next few days the names of foreign contractors for the first 14 turbines and generators for the Three Gorges dam on the Yangtze river, Agence France-Presse reported from Beijing.

Reuters Tribune Special to the Herald Tribune

Central Tokyo, a new interest for Li Ka-shing.

Hong Kong's Li Invests in Japan

Bloomberg News

HONG KONG — Li Ka-shing, one of Hong Kong's most astute traders and influential businessmen, has made his first move into Japan, spending $187.5 million for almost half of a project being developed by his son in central Tokyo.

"We see this as a very good opportunity for us to further diversify our overseas property portfolio," Laura Cheung, a spokeswoman for Hutchison Whampoa Ltd., said Wednesday. Hutchison Whampoa is the company controlled by Mr. Li that made the investment.

Mr. Li appears to be betting that prices for Tokyo commercial property, which have fallen 70 percent from their peak in 1991, are ready for a rebound.

Hutchison, whose interests span Hong Kong, China, Britain, Canada, Panama and the Bahamas, is getting the stake in the development near Tokyo Station at a substantial discount to what Mr. Li's son, Richard, paid.

Pacific Century Group, the privately held Singapore-based property company controlled by Richard Li, who is also deputy chairman of Hutchison, paid the equivalent of $753 million at current exchange rates. Hutchison's 45 percent stake values the project at about $417 million.

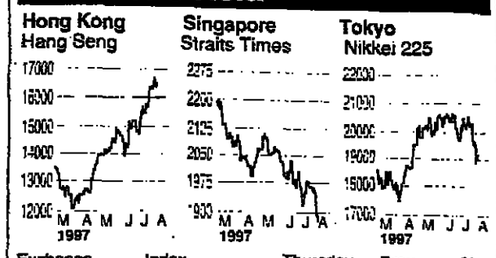
Li Ka-shing, an adviser to Chinese leaders and a folk hero among Hong Kong Chinese, controls four companies on the benchmark Hang Seng Index. His flagship, Cheung Kong Holdings Ltd., is one of the biggest property developers in the territory and owns almost half of Hutchison. Hutchison's interests include property, ports, retailing and telecommunications.

■ Jardine Seeks Data

The Keswick family, which controls the Jardine business empire, has asked large shareholders to disclose their stakes in three of its holding companies, Agence France-Presse reported Thursday, quoting local reports.

Investors with at least a 3 percent stake in the units were asked to reveal their holdings, the Chinese-language newspaper Oriental Daily News said. The family denied the move had been aimed at flushing out a possible takeover bid after Li Ka-shing acquired a 3 percent stake in two units last week.

Investor's Asia



Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	16,497.71	16,482.93	+0.09
Singapore	Straits Times	1,891.77	1,875.38	+0.87
Sydney	All Ordinaries	2,627.40	2,623.60	+0.14
Tokyo	Nikkei 225	19,222.62	19,008.60	+1.13
Kuala Lumpur	Composite	918.54	908.83	+1.07
Bangkok	SET	628.69	632.73	-0.64
Seoul	Composite Index	755.78	762.73	-0.91
Taipei	Stock Market Index	9,632.34	9,556.12	+0.80
Manila	PSE	2,493.49	2,527.08	-1.33
Jakarta	Composite Index	643.01	658.60	-2.37
Wellington	NZSE-40	2,452.81	2,450.92	+0.04
Bombay	Sensitive Index	4,320.97	4,370.13	-1.12

Source: Telekurs — International Herald Tribune

Very briefly:

• **China**'s central bank governor, Dai Xianglong, forecast fast economic growth and low inflation over the next three years, providing a platform for major structural reforms until 2000. "China's gross domestic product for this year will approach 10 percent, and I can say with confidence that price rises will be under 4 percent," Mr. Dai said.

• **China** will contribute $1 billion to an emergency credit package for **Thailand**, joining more than a dozen other nations in a rescue led by the International Monetary Fund.

• **India** plans to phase out controls on prices of petroleum products and introduce a free-marker mechanism within four years, senior officials said.

• **SM Summit Holdings Ltd.**'s shares leaped in heavy trading to close at 76.5 Singapore cents (51 U.S. cents), up 11, after executives denied allegations of software copyright violations made by the Business Software Alliance, a trade group.

• **Brierley Investments Ltd.** of New Zealand formed a joint-venture investment company with its 20 percent shareholder, **Camerlin Group Bhd.** of Malaysia. The company, to be known as BIL Camerlin Ltd., will have initial capital of $150 million. Brierley will invest $105 million and Camerlin will provide $45 million.

• **Moody's Investors Services Inc.** said a report written in July saying that **Westpac Banking Corp.**'s bad loans were rising had been wrong and that problem loans had actually fallen.

• **Cable & Wireless PLC** of Britain will be allowed to take control of Australia's **Optus Communications Pty.**, Peter Costello, Australia's treasurer, said.

• **Hong Kong Dragon Airlines Ltd.** said it would upgrade its Airbus fleet and that the fleet could more than double in size in the next four years. The airline plans to start replacing its seven leased Airbus A320-200s with new leased A320s in 1998.

• **Citibank** agreed with the government-backed **Shanghai Bund Buildings Function Transformation Corp.** to buy prime space in Shanghai's historic Peace Hotel on the Bund, the city's traditional financial district. *Reuters, AFP, Bloomberg*

New Zealanders Cleared in 'Wine Box'

Compiled by Our Staff From Dispatches

WELLINGTON — A 30-month parliamentary inquiry ended Thursday after no corporate fraud or conspiracy was found to be behind the tax-avoidance maneuvers of companies using the Cook Islands as a haven in the 1980s.

The so-called wine-box inquiry, named after a box of stolen corporate papers that sparked the investigation, found New Zealand's tax commissioner, David Henry, and the director of its Serious Fraud Office, Charles Sturt, innocent of unlawful conduct, impropriety or incompetence.

The former chief justice who headed the inquiry, Sir Ronald Davison, said there was no proof of corporate fraud in any of the four transactions examined at the hearings. He also concluded there was no evidence of a conspiracy by corporations or individuals to defraud the tax system.

Several corporations were alleged to have cycled tens of millions of dollars through the Cook Islands, where bogus tax-payment certificates were allegedly provided in return for cash donations to the Cook Islands' government between 1984 and 1988. New Zealand companies, such as Brierley Investments Ltd., and Japanese financial institutions were implicated.

The inquiry panel's ruling said that the tax transactions found in the wine box showed "clearly that they were implemented by corporates intent on escaping the impact of the heavy taxes imposed on their activities at that time."

The deals were "only a few of the many transactions undertaken by banks, financial institutions and corporates throughout New Zealand during the latter part of the 1980s.

"One might question the ethics of seeking to escape the impact of heavy taxation," the ruling said, "but the realities were that tax was regarded as a cost of doing business and something to be minimized to the extent possible within the letter of the law." The original allegations against the corporations and senior officials were made in 1993 by Winston Peters, who now is New Zealand's deputy prime minister and treasurer, but was then an opposition politician.

Using Parliament's protection against slander, Mr. Peters accused Mr. Henry and Mr. Sturt of a conspiracy to cover up corporate tax fraud.

The panel said Mr. Peters "grossly overplayed his hand" in alleging that some companies committed fraud in using the Cook Islands as a tax haven.

When Mr. Peters was asked whether he would apologize to the two senior officials he had accused, he replied: "Most certainly not." He also said he would "consider all the options" for an action to overturn the findings of the inquiry. Opposition-party legislators demanded that Mr. Peters resign for what one described as "vicious" and "baseless" allegations. *(AP, Bloomberg)*

Singapore Leads Japan Business's Asia Rankings

Agence France-Presse

TOKYO — Japanese executives find Burma, Cambodia, Laos and Vietnam "extremely backward" places to do business, while Indonesia, the Philippines and Thailand pose "occasional hindrances," according to a regional survey.

The survey by the Nikkei Industrial Daily also found that the executives had "no particular complaints" with either Malaysia or Brunei.

Singapore was deemed an "excellent" place to do business and easily ranked first out of the 10 Southeast Asian countries covered in the survey of 34 Japanese companies with operations in the region. The companies surveyed included electrical-machinery manufacturers, automakers and trading houses.

Brunei, ranked second overall, has no particular problems except in human resources, technology, living conditions and administrative transparency, where respondents cited occasional obstacles to doing business.

Laos and Cambodia, ranked ninth and 10th, are perceived as extremely backward in all areas. Cambodia had the most backward financial system among all the countries surveyed, according to the respondents, and was the most underdeveloped nation in terms of administrative efficiency and transparency.

Hyundai Motor Blames Strikes For Sharply Lower First-Half Net

Compiled by Our Staff From Dispatches

SEOUL — Hyundai Motor Co. reported weaker-than-expected first-half results Thursday and said strikes had hurt its profit.

Hyundai Motor, South Korea's largest carmaker, said first-half net profit fell 85 percent, to 28.16 billion won ($314.9 million) from 191.2 billion won a year earlier, as its sales slipped to 5.42 trillion won from 5.56 trillion.

On Tuesday, another leading carmaker, Kia Motors Corp., said its half-year net loss had more than tripled, to 37 billion won from 10.3 billion won a year earlier.

Hyundai Motor said its profit had fallen because of a strike in January and sluggish sales at home and abroad.

"A weaker yen against the dollar in the early part of the first half also negatively affected sales abroad," a Hyundai spokesman said.

Yang Tong Ki, an analyst at Dongbang Peregrine Securities, said he expected the auto industry to perform better in the second half amid the introduction of a range of new models and signs of an economic recovery.

"The economy is unlikely to become worse in the second half," he said. "Exports will recover gradually, and new models to be unveiled should boost their sales to a great extent."

"Overall, automakers are likely to be on the path toward a recovery next year," Mr. Yang said.

Separately, Korean Air said its net loss narrowed nearly 50 percent, to 134.4 billion won, in the first half as freight revenue jumped.

Sales rose 14 percent, to 1.9 trillion won, lifted by a 30 percent increase in cargo transport, which generated 492 billion won in sales. But the carrier still posted a loss as operating costs including fuel prices rose and foreign-exchange losses swelled because of the weakness of the won against the dollar, said Lee Kyu Min, a finance official at the company.

In other earnings news, Samsung Co., South Korea's largest trading house, said its net profit rose 2.3 percent, to 18.9 billion won, in the first half.

Samsung Co. said sales grew 14.4 percent to 13.29 trillion won in the period. But Samsung Electronics Co. said its net profit for the six months declined to 123.2 billion won from 453.4 billion won. Sales rose slightly, to 8.91 trillion won from 8.71 trillion won.

Meanwhile, a report said that South Korean public companies so far had posted an 8.4 percent drop in first-half earnings, with banking and electronics companies leading the slump.

Daewoo Economic Research Institute said a survey of preliminary results from 323 companies had shown average earnings per share falling to 610 won in the first six months of 1997 from 686 won a year earlier.

The profit decline underscores how the country's slowest economic growth in four years is affecting South Korean companies. Five of the nation's top 40 conglomerates have either collapsed or been placed under bankruptcy protection by their banks this year, and analysts say they see little sign of improvement.

"Many large companies are suffering financial difficulties," said Eugene Yun, managing director of Deutsche Morgan Grenfell in Seoul. "Moreover, an anticipated economic pick-up in the second half will be minor."

(AFP, Bloomberg)

Officials Confirm Bre-X Suicide

The Associated Press

CALGARY, Alberta — The investigation into the gold scandal surrounding Bre-X Minerals Ltd. has yet to result in any charges, but Canadian investigators said they had finally confirmed that the mining company's chief geologist committed suicide.

"We're satisfied Michael de Guzman did commit suicide and the body recovered was that of Michael de Guzman," Inspector Peter Macaulay, the lead investigator, said Wednesday.

Mr. de Guzman may have been at the center of the scandal involving Bre-X, a tiny exploration company that went bankrupt after the company's gold property on Borneo — once labeled the most spectacular gold find this century — was revealed to be a massive fraud.

Private investigators have said Mr. de Guzman, the geologist who ran the project site, may have masterminded the scheme with 60 ounces (1,680 grams) of gold bought from a tribesman, creating the largest fraud in mining history.

Mr. de Guzman fell to his death from a helicopter near the Busang mine site in Indonesia in March.

Astra's Earnings Nearly Double

Agence France-Presse

JAKARTA — Indonesia's largest automaker, PT Astra International, said Thursday that net profit surged to 349.2 billion rupiah ($131.8 million) in the first six months of 1997, up 91 percent from the year-earlier period.

Sales rose 10.4 percent, to 6.879 trillion rupiah.

Astra has 73 subsidiaries active in the automotive, heavy equipment and timber industries, agriculture, electronics, basic industry and financial services, and it assembles Toyota, Daihatsu, Peugeot, Isuzu, Nissan and BMW vehicles in Indonesia.

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The Ministry of Housing & Cooperatives, represented by the Public cooperation for housing (P.C.H.) invites applications from suitably, capable qualified Lebanese, Arab or International Institutions wishing to undertake this vital project to participate for design, execute, finance & deliver 10,000 turnkey dwelling units.

The work includes the following main elements:

Residential Units: the (P.C.H.) program includes residential complexes that will accommodate around 10,000 dwellings units (with a total built up area of 1,000,000m2). The 10,000 dwelling units will be allocated on sites appointed by (P.C.H.) on the Lebanese Territory with a minimum of 200 dwellings in each site.

Activities & Public Buildings: The (P.C.H.) program includes, also, shops, workshops complexes, schools and administrative buildings (with a total built up area of 40,000m2).

The Road Network: A complete internal road network that serves the elements in each location and connects the location with the nearest existing roads network.

The Public Utility Networks to be executed are:

- Water network including the main and secondary distribution networks and house connections.
- Stormwater network including water inlets, collection network, culverts, inspection manholes for the primary and secondary network.
- Sewage network to include main and secondary collectors, house connections where applicable, as well as the trunk collector leading to the main pumping station which will be constructed as part of another contract.
- The electrical distribution network which includes medium and low voltage cables, transformer stations and house connections to be installed only in the planned residential, commercial and workshop developments.
- Telecommunication network to include telephone exchange, inspection, chambers and manholes. Telephone cables will be laid by M.P.T. (Ministry of Post and Telecommunications).
- The street lighting network which also extends to public gardens and open spaces and which includes the installation of lighting poles and associated electrical distribution network.
- Landscaping of roads and open spaces to include soft and hard landscaping and associated irrigation works.

Participation Criteria: All participates shall meet the following criterias:

- Average annual turnover (defined as billing for work in progress and completed) over the last five years of USD 50,000,000 (Fifty Million).
- Successful experience as prime Constructor in the execution of a similar project of a nature and complexity comparable to the proposed contract with a value not less than 100,000,000 USD.
- Should demonstrate that he has access to or has available resources to finance the construction of this project which reach 500,000,000 USD, according to the required time & conditions as follow:

The time for Completion of the works is 3 years (Three).

Companies can bid for:

Complex of Houses in any Location or locations
or
Complex of Houses for the Whole Project

Applicants may obtain further information from, examine and acquire the tender documents at: the office of the Employer starting Wednesday August 20, 1997, from head quarter of the Public Cooperation for Housing- (P.C.H) At Adlieh Area - Nasr Bldg., Beirut, Lebanon. Tel. (01) 426284 Facsimile (01) 426277.

Tender documents may be purchased by interested applicants on application to the above office, and upon payments of non-refundable fees of 5,000 USD by certified cheque to the order of the (P.C.H.).

All must be accompanied by the Tender Security, which will be Ten Million U.S. Dollars (US$ 10,000,000) or (US$ 200,000) for each package of 200 dwelling units, or any amount that will be proportional to the number of dwelling units that the contractor intends to submit for, and must be delivered to the address given above at or before 12:00 noon of Thursday October 30, 1997. Tenders will be opened at 12:30 PM the same date in the presence of Applicant representatives who will choose to attend.

NASDAQ

Thursday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press

NYSE

Thursday's 4 P.M. Close

(Continued)

Thais Confer With Military About Cuts to Heal Economy

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August 14, 1997

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a - asked + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - stock Split; * - Ex-Dividend; ** - Ex-Rts; - @ Offer Price incl. 3% prelim. charge; * - Paris exchange; ++ -Amsterdam exchange; e - misquoted earlier; x-not registered with regulatory authority. P: Middle of bid and offered price. E: estimated price; y: price calculated 2 days prior to publication; z: bid price.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly; (r) - regularly; (t) - twice weekly; (m) - monthly.

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WORLD ROUNDUP

Bob Child/The Associated Press

Mark Philippoussis, the No. 3 seed, serving to David Wheaton at the Pilot Pen on Thursday. Wheaton won 6-7 (2-7), 6-3, 6-4.

Agassi Wins Again

TENNIS Andre Agassi is finally starting to see something positive in his game.

After three straight first-round tournament losses and a slide to No. 74 in the latest ATP Tour rankings, the former No. 1 player in the world reached the third round of the RCA Championships at the Indianapolis Tennis Center on Wednesday.

Agassi had to rally from a slow start before beating Olivier Delaitre of France, 7-6 (7-3), 6-1. Agassi, the No. 14 seed, was trailing, 2-5 love-40, before he saved seven set points and took the opening set.

The victory sends him into the third round, the first time he's advanced that far in a tournament since April. He'll play third-seeded Alex Corretja of Spain, who advanced with a 6-2, 6-7 (5-7), 6-2 victory over Arnaud Boetsch of France.

Pete Sampras made a successful debut in the tournament by beating qualifier Joshua Eagle of Australia, 6-3, 7-5, in a second-round match. Sampras had a first-round bye.

"It's always tough playing your first match on this court," said Sampras, who struggled at times against Eagle, ranked 585th in the world.

• Monica Seles, the top seed, outfought Sabine Appelmans of Belgium, seeded No. 16, 6-3, 7-5 Wednesday to advance to the quarterfinals of the du Maurier hardcourt tournament in Toronto.

• Sergi Bruguera beat Byron Black of Zimbabwe, 6-3, 6-2 in the second round of the Pilot Pen International in New Haven, Connecticut. *(AP)*

U.S. Wins Admiral's Cup

SAILING The United States overtook defending champion Italy at the end of the Fastnet Race on Wednesday to win the Admiral's Cup for the first time since 1969.

Italy appeared poised for victory after its big boat "Madina Milano" crossed first ahead of "Flash Gordon 3" of the United States in the 605-mile (974 kilometer) race — the final event of the nine-race regatta.

But a sudden drop in wind marooned Italy's mid-class and allowed the United States to seize victory in the annual competition from teams of three yachts off the south coast of England. *(AP)*

Phoenix Park Shooting

BASEBALL Mary Rose Wilcox, supervisor of Maricopa County, Arizona, was shot and wounded by a gunman angry over her support of a new major league ballpark in Phoenix. The injury was not life-threatening.

The gunman said he shot Wilcox because she supported a sales tax to partially pay for the Arizona Diamondbacks' new ballpark, being built in downtown Phoenix. *(AP)*

Daly Tames Course With 66 for Early PGA Lead

Kite Ties Azinger and Leonard At 68; Woods and Els Shoot 70

By Leonard Shapiro
Washington Post Service

MAMARONECK, New York — With most of the pretournament talk focusing on the emergence of a new generation of bright and shining young golfers, the toughest and oldest luminary at the 79th PGA Championship — the golf course itself — had been largely forgotten by the time the competition teed off Thursday morning.

But the Winged Foot course soon grabbed everyone's attention as the gnarly six-inch (15 centimeter) rough flexed its considerable muscle against some of the game's greatest players. Its victims included the youthful and glamorous threesome of the Masters champion, Tiger Woods, the U.S. Open winner, Ernie Els, and the British Open titlist, Justin Leonard.

PGA GOLF

Halfway through the first round, the game's longest hitter was the surprising leader in the clubhouse. Considering that John Daly had walked off the U.S. Open course at Congressional Country Club in Bethesda, Maryland, two months ago after 27 holes because of alcoholism-related shakes, his 4-under round of 66 was a rather remarkable achievement in only his third event since then.

Daly, who has lost almost 40 pounds (18 kilograms) since March, had seven birdies — including the last three holes — and three bogeys on his card and said that, to keep his ball in play, he only used his driver four times all day. Using 3-woods off the tee on the last three holes, he hit a 9-iron to get within five feet (1.5 meters) at No. 16, a wedge to within four feet at 17 and a 9-iron to within a foot at the last.

"The key to the round was that I made a lot of putts and hit a lot of fairways," said Daly, whose career was launched when he won the 1991 PGA at Crooked Stick near Indianapolis. "We had some rain yesterday and the greens softened up. In the practice rounds they were a lot faster. The course rewards a guy for hitting it straight. I was able to do that."

Tom Kite, the U.S. Ryder Cup captain, asked about the chances of picking himself to play on the team, had said before the tournament that he would have to play extremely well this week to impress himself enough. He did just that at least for one day, shooting a 2-under 68, the same score posted by Paul Azinger, the 1993 PGA champion and Bob Tway.

Leonard, who also finished with a 68, quickly found out about the rough after hitting his drive on the first hole into grass so thick and punishing that several, marshals searching for the ball didn't find it until Leonard had walked the 230 yards from the first tee. He could only hack it out into the fairway about 30 yards, then learn the hard way how unforgiving Winged Foot's greens can be.

Leonard's third shot landed about 10 feet below the hole, but it spun back slightly, then found a downslope that carried it 40 feet away from the pin. He two-putted for bogey there, then had three birdies in a stretch of four holes in the middle of his round to get himself headed toward the top of the board.

Els was cruising along nicely at 3-under after seven holes, when he advanced a ball about six feet in dense rough and ultimately had to settle for a double bogey that bounced him off the leaderboard. He finished with a birdie at 18 for an even-par 70.

Woods also was playing well at 3-under after his first 11 holes until he found the rough on the 540-yard 12th hole. His fourth shot landed above the hole in high grass, and his fifth, a flop shot, also found a downslope away from the pin, and he could only manage a two-putt from 35 feet. Woods also finished at 70.

Timothy Clary/Agence France-Presse

Tiger Woods hitting out of a sand trap at No. 3 during the opening round Thursday at Winged Foot Golf Club.

Nick Faldo, still trying to earn a spot on the European Ryder Cup team, struggled to a front-side 39, starting off with a bogey at the first hole after hooking his ball in the left rough. From then on, he said, he began hitting many off shots to the right, and admitted "it's all a bit of a mystery right now" when he walked off the course after posting a 75.

At wondrous, and at times wicked, Winged Foot, he was not alone in having problems he could not solve.

Rosenborg's Late Strike Turns Lights Out on MTK

Compiled by Our Staff From Dispatches

Rosenborg Trondheim of Norway made the most of its second chance Thursday in a European Cup preliminary first leg match against MTK in Budapest.

The match had originally kicked off on Wednesday night and Rosenborg had thrown away a 2-1 lead and trailed 3-2 after 67 minutes when the lights went out.

EUROPEAN SOCCER

Engineers restored power after a 40-minute stoppage, but the restarted game lasted only two more minutes before another blackout.

Turkish referee Ahmed Cakar then called off the match. It was replayed on Thursday and this time the Norwegian champion did not give its opponent the time to fight back. Sigurd Rushfeldt scored the only goal of the game in the 88th minute with a header after a corner.

The winners in the qualifying round, played over two legs, will advance to the Champions League.

In Barcelona, Skonto Riga, the champion of Latvia, twice led Barcelona, the Spanish league runner-up, before losing, 3-2.

The Spaniards, former winners of the competition, fell behind after 25 minutes when Skonto striker Babichev slid the ball under the body of Barcelona's reserve keeper Hesp, replacing injured Vitor Baia.

Giovanni, one of Barcelona's Brazilian strikers, leveled less than two minutes later. He received a pass with his back to the goal and spun round to score.

The Latvians went ahead again a minute after the break when Mikholap shot from a tight angle.

The game looked set for a shock result, but Giovanni found the net once more after 70 minutes.

Barcelona scored the winner after Skonto defender Stepanovs handled in his own penalty area four minutes into injury time. Without any Barcelona challengers nearby, he stuck his hand in the air and made contact with the ball. Stoichkov converted the penalty.

Newcastle United, the runner-up in the English Premier League, also struggled to win at home. John Beresford's controversial second goal gave it a 2-1 victory over Croatia Zagreb. With the score at 1-1, Faustino Asprilla appeared to foul Dazen Ladic, the Zagreb goalkeeper, as they jumped for a high ball close to the goal line. Falling backward, Ladic pushed the ball down to Beresford, who tapped it in. Igor Cvitanovic scored the Zagreb goal.

Enrico Chiesa scored three goals as Parma gained a 3-1 victory at Poland's Widzew Lodz.

Galatasaray of Turkey beat Sion, 4-1, in Switzerland. Milton scored a fourth minute own goal and Arif Erdem, Adrian Ilie and Suat Kaya added additional goals for the Turks, while Johann Lonfat scored for Sion.

Feyernoord of Rotterdam, which won the competition in 1970, routed FC Jazz of Finland, 6-2. Germany's Bayer Leverkusen crushed Georgia's Dynamo Tblisi, 6-1.

ENGLAND Paul Ince, the England midfielder, scored on his home debut for Liverpool, but his team, one of the Premier League favorites, lost, 2-1, to Leicester City.

Matt Elliott caught the Liverpool defense unaware to give Leicester the lead after 72 seconds.

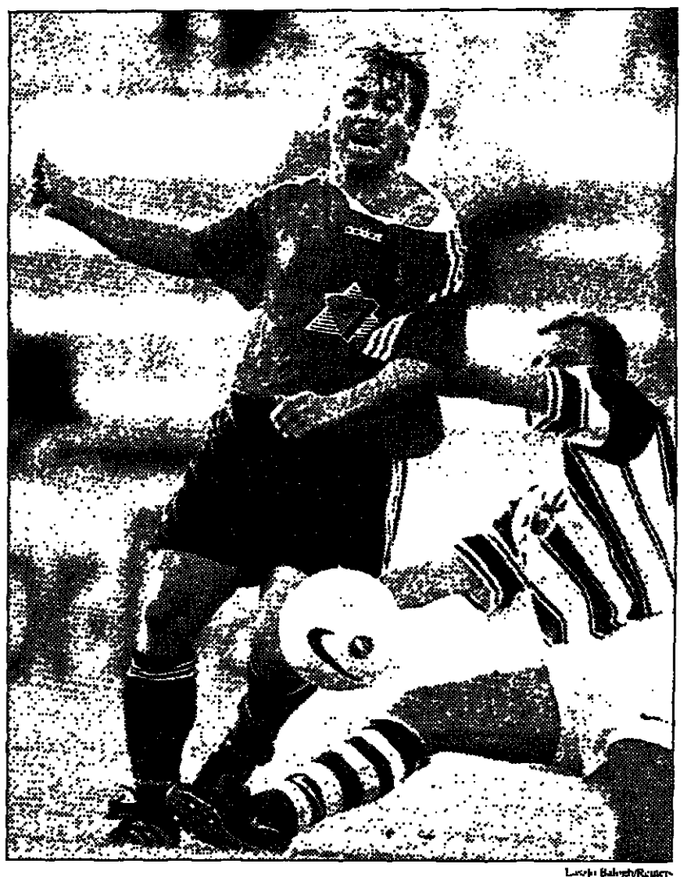
Graham Fenton tapped home a rebound seven minutes from the end to put Leicester 2-0 up. Ince scored from the edge of the penalty area a minute later.

Manchester United, the reigning champion, gained a hard-fought 1-0 home victory against Southampton. David Beckham, an England midfielder, came on as a substitute and scored 12 minutes from time. But United was pushed off the top of the league on goal difference by Blackburn Rovers which won, 4-0, at Aston Villa.

Leicester and West Ham, two clubs expected to be fighting at the lower end of the table, have also won both their games and are level on points with Blackburn.

Les Ferdinand scored his first goal for Tottenham since joining from Newcastle but Spurs lost, 2-1, at West Ham, and are bottom of the league after losing their first two games.

Derby's first home match at its new Pride Park ended in the second half in floodlight failure with the home team 2-1 up against Wimbledon. *(AP, Reuters)*



Laszlo Balogh/Reuters

Mini Jakobsen of Rosenborg Trondheim, left, and Laszlo Farkashazy of MTK Budapest tussling Thursday in a replayed European Cup preliminary round first leg match. Rosenborg of Norway triumphed, 1-0.

Brazil Is Blasé On Cruzeiro's Cup Victory

Reuters

RIO DE JANEIRO — Cruzeiro of Brazil beat Sporting Cristal of Peru, 1-0, to win the Libertadores Cup, but the victory was hardly welcomed by Brazil's traditional soccer centers.

Cruzeiro, from the country's third largest city, Belo Horizonte, has been looked down on by the Brazilian soccer establishment for years simply because it does not come from either Rio de Janeiro or Sao Paulo.

A goal by Elivelton in the 75th minute of Wednesday's second leg was the only one the two well-drilled but uninspiring teams managed to produce between them in 180 minutes of soccer after last week's first leg ended 0-0.

Cruzeiro players rarely make the national team and the club's campaign this season in the Libertadores Cup, South America's top club competition, was almost completely ignored in the two cities that consider themselves Brazil's main soccer centers.

Brazilian soccer fans were not able to watch Cruzeiro's games on television, the country's networks preferring to show run-of-the-mill Brazilian championship games involving teams from Rio or Sao Paulo. One station finally relented Wednesday for the second leg of the final and decided Cruzeiro was worthy of national viewing.

The match Wednesday drew a crowd of 95,000, but Cruzeiro is not even the most popular team in its own city, where the masses prefer Atletico Mineiro.

Cruzeiro has won the Libertadores Cup twice, the South American Supercup twice and reached the final of each tournament on other occasions.

The four major Rio de Janeiro clubs have managed one Libertadores title among them, when Flamengo lifted the trophy in 1981.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	73	42	.635	—
New York	70	48	.593	4½
Toronto	58	60	.492	16½
Boston	58	63	.479	18
Detroit	56	63	.471	19

CENTRAL DIVISION

	W	L	Pct.	GB
Cleveland	60	56	.517	—
Chicago	58	59	.496	2½
Milwaukee	57	60	.487	3½
Minnesota	51	68	.429	10½
Kansas City	49	67	.422	11

WEST DIVISION

	W	L	Pct.	GB
Seattle	66	52	.559	—
Anaheim	66	53	.555	½
Texas	58	62	.483	9
Oakland	48	73	.397	19½

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	75	47	.615	—
Florida	69	50	.580	4½
New York	66	53	.555	7½
Montreal	60	58	.508	13
Philadelphia	42	75	.359	30½

CENTRAL DIVISION

	W	L	Pct.	GB
Houston	65	56	.537	—
Pittsburgh	59	61	.492	5½
St. Louis	54	65	.454	10
Cincinnati	52	66	.441	11½
Chicago	49	72	.405	16

WEST DIVISION

	W	L	Pct.	GB
San Francisco	67	54	.554	—
Los Angeles	66	55	.542	1½
San Diego	57	63	.475	9½
Colorado	57	64	.471	10

WEDNESDAY'S LINESCORES

AMERICAN LEAGUE

Kansas City 000 021 000—3 11 1
New York 111 011 40x—9 12 0
Belcher, Whisenant (6), Carnasco (7), J. Walker (8) and Mackfarlane; Irabu, Mendoza (6), Nelson (7), Lloyd (9) and Girardi. W—Irabu, 3-2. L—Belcher, 11-11. HRs—Kansas City, C. Davis (19). New York, T. Martinez (39), O'Neill (17).

First Game

Detroit 000 312 078—13 17 0
Cleveland 110 000 010—3 9 0
Blair, M. Myers (9) and Wolbeck; Smiley, Shuey (6), A. Lopez (8) and Borders. W—Blair, 12-5. L—Smiley, 1-2. HRs—Detroit, Easley (18), Nevin (6), Higginson 2 (23).

Second game

Detroit 000 100 000—1 7 4
Cleveland 201 100 05x—9 14 0
Dishman, Keagle (4), Micell (6), M. Myers (8), Brocail (8) and Casanova; Hershiser, Jacome (6), Plunk (6), Assenmacher (7), Mesa (9) and S. Alomar. W—Hershiser 10-5. L—Dishman 1-1.

Texas 320 010 000—7 7 0
Boston 001 020 300—6 15 0
Sturtze, Bolles (6), Helling (6), Gunderson (7), Patterson (7), Wetteland (9) and I. Rodriguez; Avery, Brandenburg (3), Mahay (5), B.Henry (6) and Hatteberg. W—Sturtze, 1-0. L—Avery, 6-3. Sv—Wetteland, (26). HRs—Texas, Ju.Gonzalez 2 (28). Boston, Jh.Valentin (14), Cordero (15).

Minnesota 001 100 000—2 12 0
Toronto 200 000 001—3 10 1
Hawkins, Trombley (9), Guardado (9) and D. Miller; W.Williams, Quantrill (8) and B. Santiago. W—Quantrill, 5-4. L—Trombley, 1-2. HRs—Minnesota, Knoblauch (9). Toronto, Carter (18).

Anaheim 002 000 000—2 6 0
Chicago 000 040 01x—5 7 0
Watson, James (7), Holtz (8), P. Harris (8) and Kreuter; Eyre, N.Cruz (6), Karchner (8) and Pena, Fabregas (9). W—Eyre, 1-2. L—Watson, 10-7. Sv—Karchner (5). HRs—Chic., Cameron (10), F.Thomas (27).

Oakland 201 100 000—4 8 1
Baltimore 200 000 000—2 5 1
Lorraine, T.J.Mathews (6), Groom (7), A. Small (8), Taylor (9). Mohler (9) and Mayne; Mussina, Rhodes (6), Mills (9), Orosco (9) and Hoiles. W—Lorraine, 1-0. L—Mussina, 13-5. Sv—Mohler (1). HRs—Oakland, J. McDonald (3), Bellhorn (4), Mayne (3).

NATIONAL LEAGUE

Philadelphia 002 240 022—12 17 2
Colorado 020 022 002—8 13 0
M.Leiter, Spradlin (6), Bottalico (8) and Lieberthal; Jm.Wright, Hutton (5), S. Reed (7), Leskanic (8), Swift (9) and Je.Reed. W—M. Leiter, 8-12. L—Jm.Wright, 6-8. HRs—Philadelphia, Lieberthal (17). Colorado, Burks (20), Galarraga (31), Je.Reed (10).

Chicago 000 202 200—4 10 0
San Francisco 001 200 110—5 10 0
Je.Gonzalez, Bottenfield (7), Patterson (7), T. Adams (9) and Houston. Servais (4); Gardner, Tavarez (7), D. Henry (8), R.Rodriguez (9) and B. Johnson. W—Je.Gonzalez, 9-5. L—Gardner, 12-6. Sv—T. Adams (10). HRs—Chicago, Sosa (26). DClark (4). Orie (7). San Francisco, Mueller (5), Javier (7).

Pittsburgh 010 010 000—2 7 3
Atlanta 000 000 100—1 6 0
Lieber, Rincon (7), Loiselle (9) and Kendall; Smoltz and J.Lopez. W—Lieber, 7-12. L—Smoltz, 11-10. Sv—Loiselle (20).

Florida 000 004 040—8 14 2
Houston 210 000 201—6 11 3
A.Fernandez, Powell (8), Nen (9) and Zaun; Reynolds, Magnante (6), Lima (7), R. Springer (8), T. Martin (8), B. Wagner (9) and Ausmus. W—A. Fernandez, 15-8. L—Lima, 1-6. Sv—Nen (30). HRs—Houston, DeShell (9), Bagwell (33).

New York 200 010 000—3 11 0
St. Louis 200 001 010 0—4 12 1
Bohanon, McMichael (7), Rojas (8), Lidle (9), Jo.Franco (10) and Hundley; Stottlemyre, Bottalico (8), Frascatore (8), Fossas (10), C.King (10) and Difelice. W—Lidle 6-1. L—Fossas 1-5. Sv—Jo.Franco (30). HRs—St. Louis, McGwire 2 (4).

Cincinnati 000 101 008—2 6 0
San Diego 000 000 000—0 1 0
Morgan, Belinda (8), Shaw (9) and J. Oliver; P.Smith, D. Veras (7), TWorrell (9) and Romero. W—Morgan 4-10. L—P. Smith 4-3. Sv—Shaw (23).

Montreal 000 001 000—1 4 0
Los Angeles 010 000 11x—3 9 1
C.Perez, Kline (8), Telford (8) and Fletcher; Candiotti, Osuna (8), To.Worrell (9) and Piazza. W—Candiotti 9-4. L—C. Perez 11-8. Sv—To.Worrell (28). HRs—Montreal, Lansing (15). Los Angeles, Zeile (22).

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	58	37	1	.611	—
Yokohama	50	42	—	.543	6.5
Hiroshima	47	46	—	.505	10.0
Chunichi	46	52	—	.469	13.5
Hanshin	43	51	1	.457	14.5
Yomiuri	40	56	—	.417	18.5

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Orix	50	37	3	.575	—
Seibu	51	41	2	.554	1.5
Daiei	47	49	—	.490	7.5
Nippon Ham	46	50	1	.479	8.5
Lotte	41	47	2	.466	9.5
Kintetsu	42	53	2	.442	12.0

THURSDAY'S RESULTS

CENTRAL LEAGUE

Yakult 3, Hanshin 2
Yokohama 6, Chunichi 5
Hiroshima 8, Yomiuri 6

PACIFIC LEAGUE

Kintetsu 4, Orix 1
Seibu 3, Daiei 2

SOCCER

EUROPEAN CUP WINNERS' CUP

Dynamo Batumi vs. Ararat Yerevan *Match ppd due to waterlogged pitch.*
Tallinna Sadam 1, Belshina Bobruisk 1
Zalgiris Vilnius 0, Hapoel Beershoba 0
Levski Sofia 1, Slovan Bratislava 1
Sloga Jugomagnat 1, NK Zagreb 2
Dinaburg Daugavpils 1, Kapaz Ganja 0
Primorje Ajdovscina 2, Union Luxembourg 0

EUROPEAN CUP

PRELIMINARY ROUND, FIRST LEG

IFK Gothenburg 3, Rangers 0
SV Salzburg 0, Sparta Prague 0
Betar Jerusalem 0, Sporting Lisbon 0
FK Kosice 2, Spartak Moscow 1
Steaua Bucharest 3, Paris St Germain 2
Besiktas 0, Maritar Branik 0
Feyenoord 6, Jazz Port 2
Anorthosis Famagusta 2, Lierse Sk 0
Olympiakos Pireaus 5, MPKC Mozyr 0
Boyer Leverkusen 6, Dynamo Tblisi 1
Widzew Lodz 1, Parma 3
Brondby 2, Dynamo Kiev 4
Newcastle United 2, Croatia Zagreb 1
MTK Budapest 0, Rosenborg Trondheim 1
Sion 1, Galatasaray 4
Barcelona 3, Skonto Riga 2
Tarchann 1, Apoel Nicosia 1

ENGLISH PREMIER LEAGUE

Aston Villa 0, Blackburn 4
Derby 2, Wimbledon 1
Match abandoned due to floodlight failure.
Liverpool 1, Leicester 2
Manchester United 1, Southampton 0
Sheffield Wednesday 1, Leeds 3
West Ham 2, Tottenham 1
Crystal Palace 0, Barnsley 1
STANDINGS: Blackburn 6, Manchester United 6, West Ham 6, Leicester 6, Leeds 4, Arsenal 4, Newcastle 3, Bolton 3, Barnsley 3, Crystal Palace 3, Coventry 3, Wimbledon 1, Liverpool 1, Chelsea 0, Everton 0, Derby 0, Southampton 0, Sheffield Wednesday 0, Tottenham 0, Aston Villa 0.

GOLF

WORLD RANKINGS

World golf rankings based on players' performance throughout the world through Aug. 11, sanctioned by the Royal and Ancient Golf Club of St. Andrews. The ranking is computed on a three-year rolling basis weighted toward the current year. Players earn points based on tournament grade, finish and strength of field:

1, Tiger Woods, U.S., 10.93 points; 2, Ernie Els, South Africa, 10.22; 3, Greg Norman, Australia, 10.13; 4, Nick Price, Zimbabwe, 9.67; 5, Colin Montgomerie, Scotland, 9.41; 6, Tom Lehman, U.S., 8.54; 7, Phil Mickelson, U.S., 8.29; 8, Jumbo Ozaki, Japan, 7.98; 9, Mark O'Meara, U.S., 7.37; 10, Fred Couples, U.S., 6.74; 11, Brad Faxon, U.S., 6.70; 12, Nick Faldo, England, 6.66; 13, Steve Elkington, Australia, 6.58; 14, Scott Hoch, U.S., 6.30; 15, Jesper Parnevik, Sweden, 6.14; 16, Justin Leonard, U.S., 6.03; 17, Davis Love III, U.S., 5.73; 18, Vijay Singh, Fiji, 5.62; 19, Bernhard Langer, Germany, 5.59; 20, Ian Woosnam, Wales, 5.40.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

CLEVELAND —Activated RHP Orel Hershiser from 15-day disabled list. Put RHP Albie Lopez on the 15-day disabled list.

KANSAS—Activated OF Jermaine Dye from 15-day disabled list. Put OF Joe Vitiello on 15-day disabled list.

MILWAUKEE —Agreed to terms with DH Julio Franco.

NEW YORK —Recalled RHP Hideki Irabu from Columbus, IL. Optioned RHP Jim Mecir to Columbus. Acquired DH-C Mike Stanley and INF Randy Brown from Boston Red Sox for RHP Tony Armas and player to be named.

OAKLAND —Put RHP Brad Rigby on 15-day disabled list retroactive to Aug 8. Recalled LHP Andrew Lorraine from Edmonton, PCL.

TEXAS—Assigned OF Mike Simms outright to Oklahoma City, AA.

TORONTO —Recalled OF Shannon Stewart and INF Tomas Perez from Syracuse, IL. Put SS Alex Gonzalez on 15-day disabled list.

NATIONAL LEAGUE

COLORADO —Signed INF Terry Shumpert and assigned him to New Haven, EL.

LOS ANGELES —Sent RHP Matt Herges to San Antonio, TL.

SAN DIEGO —Traded OF Rickey Henderson to Anaheim Angels for RHP Ryan Hancock, LHP Stevenson Agosto and player to be named. Activated OF Ruben Rivera from 60-day disabled list.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

NFL—Fined Denver Broncos LB Bill Romanowski $20,000 for illegal hit on Carolina Panthers' QB Kerry Collins in preseason game Aug. 9.

CHICAGO —Released LB Darnick Brownlow.

DALLAS —Put CB John Reece on injured reserve.

DENVER —Released RB Joe Abdullah, LB Ken Brown, TE Jeremy Burkett, CB Dalton Simmons, DT Sylvestor Stanley, DE Ken Takanna and DB Robert Turner.

NEW ENGLAND—Released WR Chris Ortiz, WR Shawn Turner, QB Chris Bresnahan, LB Chad Reeves and CB Dwayne Provo. Signed CB Allan Jackson.

N.Y. JETS—Claimed K Joe Nedney off waivers from Miami Dolphins.

PHILADELPHIA—Released WR Alan Allen, FB Brad Baxter, DE Damion Cooper, DT Stacey Dillard, Yonel Jourdain, WR Kevin Knox, S Thomas McGaughey and CB Anthony Rice.

TENNESSEE—Released WR Jason Dallick, LB Nale Hemsley, S Kris Garrett, TE Bryan Jennings, OG Sean Wells and DE Devron Williams.

HOCKEY

NATIONAL HOCKEY LEAGUE

COLORADO —Matched N. Y. Rangers' offer sheet to C Joe Sakic.

NASHVILLE —Named Craig Channell chief amateur scout.

PHOENIX —Signed C Trevor Letowski to multiyear contract.

ST. LOUIS —Re-signed C Craig Conroy. Agreed to terms with F Terry Yake, F Blair Atcheynum and F Bruce Ramsay.

SAN JOSE —Signed C Jarrod Skalde and G Jamie Ram.

TORONTO —Re-signed D Matt Martin, D Rob Zettler and F Todd Warriner.

VANCOUVER —Re-signed F Markus Naslund.

COLLEGE

NCAA—Announced Oklahoma City as site for womens college world series softball tournament for 1999-2001. Announced Mississippi RB Joe Gunn has been cleared to play this season.

BRIGHAM YOUNG—Announced sophomore RB Ramsey Jenkins has been allowed to re-enroll after he was dismissed earlier this year for violating school's honor code.

LSU—Signed Gerry DiNardo, football coach, to a contract extension through 2002 season.

SOUTHERN CALIFORNIA—Announced LB Michael Pollard will not be allowed to enroll because he failed to meet minimum NCAA and university admission requirements.

SPORTS

In a Matter of Hours, 3 World Records Fall

Zurich Plays Host to History

The Associated Press

ZURICH — No records fell at the nine-day track and field world championships that ended Sunday in Athens, but three fell in one night at the Zurich Weltklasse meeting.

Wilson Kipketer, who was born in Kenya but is now a citizen of Denmark, broke the oldest world record in track and field Wednesday in the 800-meter event. Wilson Boit Kipketer, who is not related to the 800-meter runner, shaved one-tenth of a second off the 3,000-meter steeplechase record, and Haile Gebrselassie shattered the 5,000-meter record.

Wilson Kipketer broke Sebastian Coe's 16-year-old record in the 800 meters with a time of 1 minute, 41.24 seconds.

"Everything was perfect today — the weather, the pace, the crowd," the 24-year-old runner said. "I am very satisfied — for now. It wasn't easy after the worlds, I came here tired."

Patrick Ndururi of Kenya was second in 1:42.62, and Rich Kenah of the United States was third in 1:43.38.

Wilson Boit Kipketer ran the 3,000-meter steeplechase in 7:59.08. The old mark was 7:59.18 set by a fellow Kenyan, Moses Kiptanui, on the same track in 1995.

"I didn't expect the record. I just felt good and ran," said Boit Kipketer, who, like the other two record breakers, was a gold medalist in Athens.

Each of the three record breakers received $50,000 and a kilogram of gold as a bonus for smashing the world marks.

One difference between Athens and Zurich was that the Zurich races had pace makers. Joseph Tengelei of Kenya led the field in the 800 meters, running the first 400 meters in an astonishing 48.10, compared to Coe's 49.7 when he set the record. Kenyans also set the pace in the 5,000 meters and a Kenyan, Barnabas Barmao, acted as a "rabbit," in the 3,000 meters. Kenyans took the first six places.

Haile Gebrselassie, a 24-year-old Ethiopian, pulverized his own record in the 5,000-meter event with a time of 12:41.86, improving on his 1995 mark of 12:44.39.

Daniel Komen of Kenya, the world champion, finished second in 12:44.90, a national record, while his compatriot Paul Tergat was third in 12:49.87.

In Athens, young runners seized both the 100 meters titles. In Zurich, the old guard hit back. Frankie Fredericks of Namibia, who was fourth in Athens, clocked 9.98 to beat Maurice Greene of the United States, who ran 9.99.

In the women's 100, Merlene Ottey, 37, proved again that she can win when no medals are at stake. A disappointing seventh in Athens, the Jamaican beat all three medalists on Wednesday.

She posted a time of 10.96, edging world champion Marion Jones of the United States, who clocked 10.97. Olympic champion Gail Devers of the United States was third in 11.06.

Agence France-Presse

Wilson Kipketer of Denmark, center, on the way to setting a world record in the 800 meters in Zurich in 1:41.25. He is flanked by two Kenyans, Patrick Konchellah, right, who placed fourth, and Joseph Tengelei.

Irabu Returns to Yanks And Pitches 9-3 Victory

The Associated Press

Hideki Irabu came back, and so did his fastball.

After two starts in the minors, Irabu won in his return Wednesday to the New York Yankees. Tino Martinez backed the Japanese right-hander with his major league-leading 39th homer, and New York beat the Kansas City Royals, 9-3.

"I thought he was a lot better," New York's manager, Joe Torre, said. "He was aggressive, he threw good splitters. He didn't look like he was uptight in any way. That's what we wanted, to clear his head out."

Irabu (3-2) allowed three runs and six hits in 5⅓ innings, struck out five and walked two at Yankee Stadium. The right-hander struck out four of the first five batters and took a shutout into the fifth, when he appeared to tire.

"The biggest difference," Irabu said through his interpreter, "is that the first time I left here I had a lot of things to overcome. I had to get velocity on the fastball back and throw a 'live' ball."

Kansas City's manager, Tony Muser, was impressed with Irabu.

"Boy, he has a good arm, a real good arm," Muser said. "We stayed close, but he had a good live fastball. It didn't seem like he could get the breaking ball over, a little erratic with his command. But he has a real fine arm, a major-league arm."

Tigers 13, Indians 3; Indians 9, Tigers 1 Orel Hershiser came off the disabled list to give Cleveland a split of its doubleheader against Detroit.

Bobby Higginson hit two homers, and Damion Easley and Phil Nevin added one each as Detroit won the opener.

Rangers 7, Red Sox 6 Juan Gonzalez went 3-for-4 with two homers and batted in five runs at Fenway Park in Boston. Texas had two six-run leads before the Red Sox closed to 7-6 in the seventh.

Athletics 4, Orioles 2 Oakland hit three home runs off Mike Mussina in Baltimore, and rookie Andrew Lorraine gained his first major-league victory, sending Baltimore to just its fourth loss in 16 games. Lorraine, making his first major- league appearance since 1995, allowed one earned run and six hits in five innings.

White Sox 5, Angels 2 Mike Cameron and Frank Thomas hit back-to-back homers in a four-run fifth in Chicago as the White Sox won their fourth straight to pull within 2½ games of first place in the American League Central. Scott Eyre (1-2), a rookie, got his first major league victory, allowing two runs and six hits in five innings.

Blue Jays 3, Twins 2 Jose Cruz Jr. hit a run-scoring single with one out in the ninth as Toronto sent Minnesota to its fifth consecutive loss.

In National league games:

Marlins 8, Astros 6 Alex Fernandez survived a shaky first inning to win his fifth consecutive start as Florida won in Houston. Fernandez who has not lost since July 18, tied his season high with 10 strikeouts in seven innings. He allowed five runs — three earned — and nine hits, walking three.

Fernandez has pitched at least seven innings in each of his last five starts.

"Fernandez just battled his tail off," Florida manager Jim Leyland said. "He was a little wild early, but he hung in there and gave us some innings. It was a gutsy effort. It was a gutsy effort for all of us, actually. This has been a tough trip."

Jeff Conine hit a two-run single in the eighth after consecutive homers by Derek Bell and Jeff Bagwell gave the Astros a 5-4 lead in the seventh.

Phillies 12, Rockies 8 In Denver, Mike Lieberthal had four hits, including a three-run homer, and Mark Leiter, the winning pitcher, contributed a two-run single as Philadelphia matched a season high with its fourth straight victory and 12th in 15 games.

Larry Walker was 0-for-4, and his average fell to .377.

Cubs 6, Giants 5 In San Francisco, Sammy Sosa homered and had a two-run double in a game that featured a bench-clearing brawl and two ejections. The fight began in the fourth when Jeff Kent was hit in the chest by a pitch from Jeremi Gonzalez. Kent, who ridiculed Gonzalez's pitching last week, was ejected along with Chicago's Tyler Houston.

Pirates 2, Braves 1 Jon Lieber won for the first time in more than a month, allowing one run and five hits in 6⅔ innings for Pittsburgh in Atlanta. John Smoltz lost despite pitching his sixth complete game, a seven-hitter with nine strikeouts.

Mets 5, Cardinals 4 Pinch hitter Butch Huskey singled home the go-ahead run in the 10th as the Mets overcame two homers by Mark McGwire at St. Louis. McGwire raised his home-run total to 38 with his 40th career multihomer game. He hit a 455-foot upper-deck shot in the first, the longest of the year at Busch Stadium.

Reds 2, Padres 0 Mike Morgan was perfect for 6⅔ innings before Mark Sweeney singled for San Diego's only hit.

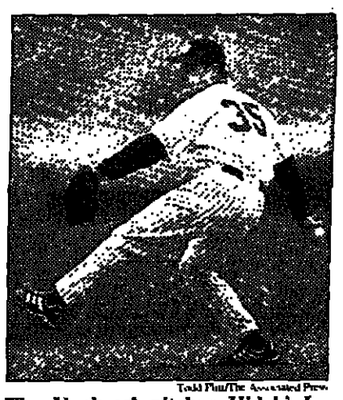
Dodgers 3, Expos 1 In Los Angeles, Tom Candiotti allowed three hits in seven innings, and Adam Riggs singled home the go-ahead run for his first major-league run batted in.

■ Henderson Goes to Angels

For the third time in his career, Rickey Henderson was traded during a season, this time from the San Diego Padres to the Anaheim Angels for three prospects. His previous two trades took him to the eventual World Series winners.

The deal comes a day after the Angels' leadoff hitter, Tony Phillips, was charged with felony possession of cocaine and benched pending a meeting with doctors.

"I'm happy to be an Angel," said Henderson, 38, baseball's career stolen base leader. "I'm the type of player who likes to be in this situation — with all the marbles on the table, can you rise to the occasion? I seem to be one of the guys who rises to the occasion."



Todd Plitt/The Associated Press

The Yankees' pitcher Hideki Irabu, winding up against the Royals.

TALL: *NBA Is Drooling Over North Korean Giant, but Politics Keep Him on the Bench*

Continued from Page 1

NBA, but we also have to deal with international politics," said Wayne MacKinnon, chairman of the Ottawa-based Evergreen Sports Management, which is lobbying the U.S. government on Ri's behalf.

"I'm very optimistic," MacKinnon said. "We have to play this very, very carefully, but I think it's working. If things go well, I think he'd be there by the time NBA camps open in early October."

But the NBA has sent a memo to its teams instructing them not to have any contact with Ri or his representatives. Jeffrey Mishkin, the NBA's executive vice president and chief legal officer, said the league would not push the State or Treasury departments to admit Ri.

"We have comprehensive embargo sanctions against North Korea that prohibit employment of nationals by the U.S.," said a Treasury Department official familiar with Ri's case.

So for now, Ri remains cloistered in this town 20 miles (32 kilometers) west of Ottawa, with an amiable Canadian coach, a bubbly 16-year-old South Korean interpreter, two grim-faced North Korean handlers and the hope that if he can enter the United States and the NBA he will realize a personal goal, earn millions of dollars and, perhaps, do his small part to improve international relations.

But before Ri can change the world, he has to change his jump shot.

After he finished his Stairmaster workout, Donohue and an assistant coach, Michael Hickey, ran Ri through his daily basketball exercises at nearby Algonquin College. "Follow through, Michael! Follow through on your shot!" Donohue barked as Ri practiced typical big-man exercises: the so-called Mikan drill (shooting the ball quickly from alternate sides of the basket) named for the NBA Hall-of-Famer George Mikan, and the sky hook, originated by Kareem Abdul-Jabbar.

As Ri continued his workout, two men in slacks and short-sleeved dress shirts dribbled awkwardly and attempted two-handed set shots at a nearby basket. John Kim and Carl Lee — a pair of 5 foot, 3 inch North Korean officials who refer to themselves as "the delegation" — have been sent to oversee Ri's stay. They never let Ri out of their sight, following him to the masseur, dentist, grocery store, health club and anywhere else he goes.

Kim and Lee strictly limit Ri's access to the Kanata and Ottawa communities, particularly their South Korean population of about 150 families.

After Ri's basketball workout at Algonquin College, Kim and Lee agreed to allow him to be interviewed by a reporter for the first time. Then they promptly sat down with Ri on one side of an outdoor picnic table in the college's quadrangle. Sixteen-year-old Arum Hong, a South Korean emigrant, translated Ri's words.

Ri spoke about growing up in Pyongyang, where he has a younger brother and younger sister, a father who is an electrician and a mother who is a homemaker. He said he learned about the NBA when he saw videotapes two years ago.

He said that he felt some culture shock when he arrived in Canada, but that he "tries not to think about anything other than basketball now at this stage where I am training to get into the NBA. Of course, I do miss North Korea, but doesn't everyone?"

But when Ri was asked how he felt about the U.S. government blocking his entrance to the NBA, Kim interrupted and said he, not Ri, would answer that question because he was the "head of delegation."

"Sports should be pure, and it should be just pure athletes who come in to play without any other interference," Kim said. "And that is why sports is played all over the world. So right now, the way the North Korean government is thinking is they're lending the land, the country to play so that they can compete with other players."

About a year ago, Ri was unknown to the international basketball community. But last August, Pyongyang sent a team to an Asian basketball tournament, held in Taiwan, for the first time in 18 years. Ri scored 27 points in a losing effort against a U.S. team of elite college players.

That performance got the attention of a sports-management group in Cleveland, which sent an application to the Treasury Department in an effort to represent Ri in the NBA draft last June. Treasury vetoed it.

Then MacKinnon, a lawyer, heard about Ri. He persuaded investors to finance Ri's training — estimated to cost more than $1,000 a day — and negotiated with the Canadian and North Korean governments to get Ri to Kanata.

Upon his arrival, Ri Myong-Hun took the name Michael, after his idol, the Chicago Bulls' star Michael Jordan. Ri came with better basketball skills than his hosts had expected — but also with more body fat (18 percent), less vertical leaping ability (12 inches) and less strength (he could lift a mere 95 pounds, or 43 kilograms, from a squat).

"He was awful," said Loren Goldenberg, a trainer for the Ottawa Senators of the National Hockey League. "But I've never seen an athlete make such amazing gains in such a short time."

Goldenberg put Ri on a high-protein, high-carbohydrate diet that has increased his weight from 240 to 280 pounds. He said Ri's body fat has decreased to less than 15 percent, his vertical leap has increased four inches and he could now squat 260 pounds.

Ri's basketball skills have sharpened along with his conditioning.

Meanwhile, NBA teams are waiting to pounce on him if they are ever allowed. Ri is too old to enter the draft under NBA rules and would be a free agent, available to any team that could woo him.

"I don't know much about him, other than that he's big," said Bob Zuffelato, the Toronto Raptors' director of player personnel. "But of course a guy of that size would be signed. You can't teach size."

Mishkin said the NBA would wait until Ri was cleared to enter and play in the United States before allowing teams to deal with him. Although the NBA's commissioner, David Stern, regularly talks about the global reach of the league, Mishkin said it would not push the State and Treasury departments to admit Ri.

"We don't think the NBA is an expert on foreign policy," Mishkin said.

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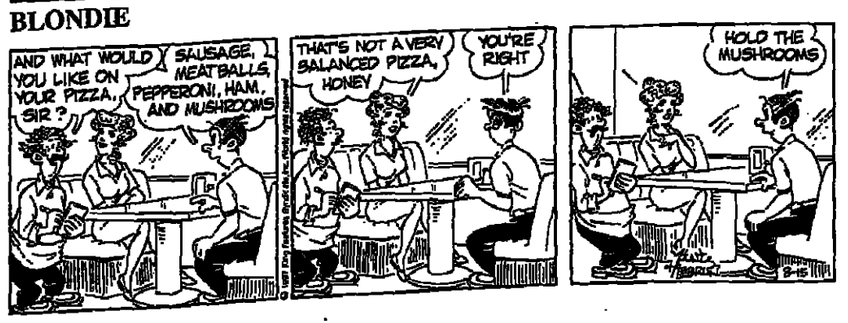

JUMBLE®

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

FEBOG

AGGUE

SLINAD

YNOFLE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: ( ) ( ) ( )

(Answers tomorrow)

Yesterday's Jumbles: Answer: PIKER MOUSY IMPOSE SONATA
Where his reputation is stop using cigarettes want – UP IN SMOKE

POSTCARD

Parking in Patagonia

By Philip Benson

SAN CARLOS DE BARILOCHE, Argentina — Over the last year or so, it has seemed that nature and man were conspiring against Patagonia and its tourist-dependent economy.

First, forest fires raged through national parks in February 1996. This was followed by one of the smallest snowfalls in recent memory: bad news for the ski slopes. Hopes for a summer recovery were dashed when the hanta virus, a rodent-borne disease, broke out south of Bariloche. In the ensuing hysteria, tourists stayed away in droves, further damaging the economy.

But this year something more irksome and insidious has appeared, driving the local residents to distraction: There is no more free parking in downtown Bariloche.

□

Beginning last December, crews painted lines on the streets and began to erect signs indicating where one could and could not legally park. Then a Bariloche-based company, Altec, was contracted to set up one of Latin America's most sophisticated parking collection schemes.

Eight little electric carts silently drive down the streets and scan computer strips that car owners must put on their rear side windows. One's account (which costs $10 to open but does not include any parking time — that's extra) is automatically debited.

Or drivers may go to a post on a street corner and, with a special magnet, clock in and out. This also debits one's account. Parking fees range from 50 cents to a dollar an hour, depending on zone.

Residents have sought out parking areas just outside the city center to avoid the reach of Altec, but these are disappearing quickly.

First to go was the long stretch of sidewalk bordering Lake Nahuel Huapi. Altec put up wooden posts with signs declaring the area a no-parking zone. These were all knocked down by an unidentified free-parking advocate. Altec responded by cementing in metal posts.

In June, the five-minute free parking stretch by the post office was made off limits to all. Tow trucks remove cars and fines are assessed.

□

So intricate and all-encompassing is the plan that one Patagonian, Hans Schulz, said, "I think Kafka invented the whole thing."

Laissez-faire Patagonia is not used to such determined efforts by the authorities, and the usually placid inhabitants have responded by threatening to boycott the scheme, attack the offices of Altec — or write their congressmen. Words like "evil" and "conspiracy" flow when the subject comes up in conversation.

The manager of Altec in Bariloche, Carlos Cattini, responds that Argentines are undisciplined people and that the parking used to be "chaotic." He thinks that the furor is diminishing and predicts that Altec will sell its sophisticated product abroad.

Watch out, world. Cattini reports that there have been serious inquiries from cities in the United States, Israel and Brazil.

Philip Benson, a teacher and writer on Latin America, wrote this for the International Herald Tribune.

Rapping With Grym Reaper and the Rzarector

By Mike Zwerin
International Herald Tribune

Gravediggaz in Paris: Fruitkwan, left, Prince Paul, center, and Poetic, a.k.a. the Grym Reaper.

PARIS — "A lot of hip-hop deals with what those big bad rappers are going to do to you," said Prince Paul, talking about his group. "The Gravediggaz rap about the kind of stuff you do to yourself."

He bears no resemblance to a big bad anything. The Gravediggaz second album, "The Pick, the Sickle and the Shovel" (Gee Street/V2), is about to be released. Prince Paul predicts that "Six Feet Deep," their first, will be certified gold at about the same time. Big numbers, but in this business only the fame of a few lasts even as long as Andy Warhol's famous 15 minutes.

Prince Paul joined Stetsasonic in 1984. He signed a contract for $600. To him this was a fat number. "It probably wasn't even legal. I was 17. Oh well, I was able to buy my first VCR."

While in his 20s (he's 30 now) he produced gold and platinum albums for the hot group De La Soul. Basically, "that meant money but not much leverage." There's a lot of irony in Prince Paul's storytelling style: "I could go right up to the president of the company and get another $600 anytime I wanted to."

He was nominated for Grammies. People spoke of him as producer of the year. And Def Jam Records, which was on a roll of its own, made him an offer: "Paul. We want to start a label with you."

Last month, he was recalling his career to date, sitting in the Parisian office of his distributor, V2. Prince Paul was absolutely drowning in irony by now (maybe it was the heat wave): "'We'll give you this, we'll give you that,' they said. 'Do it do it do it.' I didn't know what to say. I just wanted to make my own records."

His New York accent is engulfing. The way the words tumble out sometimes says more than what they mean. That much heat can be expressive by itself. The speed is a tale of its own.

Finally he decided to "do it" and he spent two years recording other people's songs. When it came time to put all that stuff out on the market, he didn't even like it any more. He didn't want to listen to it any more. He had "lost two years at the peak of my career. No records by me came out."

How can someone who just turned 30 know that the peak of his career has already passed? Well, in the context of rap, 15 minutes of fame can be reduced to something like two. "A year in a rapper's life," Prince Paul said, "is like a dog's year."

Money wasn't the problem; he was being paid. But it wasn't his music. He was losing his touch on the street. "Rappers come and go," he said. "The public is, like, fickle. If you're wearing last year's sneakers, forget it. Maybe you're only selling 100,000 copies" — only!? — "that ain't worth it to the record company. They drop you. Rap labels are not interested in artist development."

Sure enough, he was dropped. He was "devastated, depressed, angry." He "hid out" in his basement studio in Amityville, Long Island, writing sad songs. "What happened to me?" he thought. "I'm this guy who used to put out all of these gold and platinum records." So he called his rapper friends Poetic, Fruitkwan and Rza a/k/a Prince Rakeem. It turned out that the three of them had also been dropped.

They all felt slighted and forgotten. Poetic was even homeless for awhile — Prince Paul had to call his family to get in touch with him. "Instead of just sitting around getting bitter," he told his friends, "Yo! Let's put a group together."

On paper, the Gravediggaz concept goes like this: "We each chose a character. Poetic is the Grym Reaper, he brings them in. Prince Paul, The Undertaker, prepares them. Fruitkwan's the Gatekeeper; he sees who's going through the gate and decides whether to let them burn or bring them to Rza Rakeem, the Rzarector, the antidote who makes them see what's really going on."

They made a demo that combined elements of Stetsasonic, De La Soul and Wu Tang Clan, a band with a future Rakeem had joined. Gravediggaz is, they said, "saturated with ground-breaking production, witty rhymes, biblical references and adept poetry."

In all modesty, Rza called it "a new form of literature." A part of it went like this:

Society got to be reminded of my
diary, cause
tragically I carry the misery of
centuries sent
to me not coincidentally
intentionally cause
mentally I represent the key, but it's
a double
edged sword see, trying to be
Godly is hard. . .

Hard indeed. They shopped a demo. One record company said, "It's a little too poetic for us." Just as they were all about to give up one last time, Gee Street Records came through.

People called them the Horror-Core. One critic said, "Gangsta rap will kill you, the Horror-Core will bury you." Not bad. Their publicity reads: "Fresh as the earth of a newly turned Grave."

As far as hype is concerned, rap appears to be getting dangerously close to professional wrestling. Sounding surprised for some reason, Prince Paul said, "We were kind of pigeon-holed into this horror stuff."

Rza "The Rzarector" Rakeem has become a millionaire through his association with Wu Tang Clan. Fruitkwan has a clothing line called Diggawear. Poetic started his own label. Prince Paul has written a script for a movie "with possibilities."

And he also has an idea for more profitable and ecological sampling. Sampling is digital copying, filtering, speeding up and so on of previously recorded material and paying royalties to the original creators. Recently, he had to pay $20,000 for just one sample.

Now Prince Paul gets older musicians who play like the old guys whose samples he wants to use. They replay the same old tunes and licks using outdated equipment. Not only is it cheaper, it gives guys work.

"You change a few notes here and there," Prince Paul explained, "so now you're close but not close enough to get sued. Now it's *my* song. I can save $600 and buy a new VCR."

CULTURE

Battles Over Arts Funding Engulf U.S. Cities

By Judith H. Dobrzynski
New York Times Service

NEW YORK — The bitter cultural conflict that reached a showdown over continued financing of the National Endowment for the Arts is starting to spread to towns and cities around the United States.

In some places, the battle over whether to finance, or not to finance, the arts with public money is engulfing arts institutions that have nothing to do with the quarrel.

Consider Charlotte, North Carolina, one of the most extreme examples. Commissioners in surrounding Mecklenburg County voted this spring to cut off funds to the Arts and Science Council of Charlotte after conservative groups protested the production of Tony Kushner's "Angels in America: A Gay Fantasia on National Themes," at a theater the council helped finance.

Now, schoolchildren must pay $2.75 to go to the science museum instead of getting in free; the North Carolina Dance Company's ballerinas will perform the "Nutcracker" Suite to taped music next winter instead of with the Charlotte Symphony, and minority students have no summer workshop at Opera Carolina.

Programs at 12 other nonprofit organizations are also doing without the $2.5 million from the council that they all had shared.

The Charlotte situation is unnerving arts proponents and anti-censorship groups and providing inspiration to others who are disturbed by the content of art that receives local public financing.

"It's the new battleground," said Meg Phee, a staff member at Americans for the Arts, a nonprofit advocacy organization based in Washington.

Anchorage, Alaska, and Greensboro, North Carolina, have also been through heated fights over arts funds this year, also triggered by programs with gay themes. Governments in at least a half dozen other places, including Clearwater, Florida; San Antonio, Texas, and Santa Ana, California, have also considered measures to withhold money or to closely review how it is spent, though each one failed.

In each case, angry protesters forced the issue onto the local legislature's agenda, framing the issues much as they have been defined in the endowment imbroglios.

"We will see more of these local battles," predicted Paul Boyer, a professor of American cultural history at the University of Wisconsin at Madison. "The people who oppose funding are probably encouraged by the success they've achieved at the NEA."

Until recently, conflicts over artistic freedom and government money have usually focused on a specific work of art, or, in the last decade, on the National Endowment. Since the mid-1980s, conservative groups have campaigned to abolish the endowment, strongly criticizing many of its grants and questioning its mission. This year the House of Representatives voted to virtually eliminate it. The Senate later voted to give the agency $99.5 million, the same amount it received for the current fiscal year. The two houses must now reconcile their differences.

'This is clearly a period of tremendous backlash against what some people see as excesses.'

At the local level, a similar concern for protecting public morals and the public purse is the driving force.

Art Mathias, chairman of the Christian Coalition of Alaska, believes that the government has no business paying for art that is objectionable to a large segment of the public. He and his organization have challenged grants to a theater that stages productions by gay groups.

"They have a right to do that, but I have a problem with them taking my tax dollars to do that," he said.

Expecting these disputes to spread, arts groups fear many casualties.

"The potential could be quite devastating for the arts," said Matthew Freeman, a senior vice president of People for the American Way, a civil liberties organization in Washington that promotes liberal causes.

To Boyer, it is no mystery why art dealing with homosexuality or using nudity or profanity is prompting people who are offended to fight back locally.

"This is clearly a period of tremendous cultural backlash against what some people see as excesses of all kinds of cultural movements," he said. "People who feel helpless in combatting larger trends often tend to focus on individual instances."

Campaigns against public financing are increasingly popular for practical reasons, said Allen Wildmon, the spokesman for the American Family Association in Tupelo, Mississippi, a conservative Christian group led by the Reverend Donald Wildmon, his brother.

"The Supreme Court says you can't control content," he said. "The only solution is to stop all funding."

The court has frequently held that government cannot regulate speech based on its content, but it has not yet spoken definitively on whether the state can condition financing on content.

In some cities, as in Charlotte, some institutions with programs that offend no one may suffer, just by happenstance. Many of them are already living precariously.

As federal arts financing has declined in the last few years, spending on the arts by local governments has risen, but not enough to close the gap, said Randy Cohen, the director of research at Americans for the Arts, the advocacy group.

This year, Cohen said, agencies in the 50 largest cities contributed nearly $211 million to the arts, up about 5 percent from last year. For all cities, Cohen estimates, the total would be about $675 million.

By comparison, the National Endowment for the Arts is expected to get its $99.5 million for the next fiscal year if the Senate holds sway over the House of Representatives — but that is down sharply from about $170 million in the early 1990s.

PEOPLE

NO computer can compare with the "sensation of ink on paper," **John Updike** once insisted. Words on a screen, he said, are "just another passing electronic wriggle." Now, the Pulitzer Prize-winning novelist has lent his name, and his words, to an on-line collaborative writing contest in which Web surfers contribute a few lines each to a mystery story with an opening paragraph written by Updike. The 44-day contest ends Sept. 12, when Updike will write the conclusion of the story, "Murder Makes the Magazine." The contest is sponsored by the on-line bookseller Amazon.com. Thousands of e-mailers have been competing to come up with the latest piece of the story. One winning entry is selected each day and is added to the narrative; each day's winner gets $1,000. The story follows the adventures of Tasso Polk, a 43-year-old employee of the Magazine. Updike begins by having Polk step off the elevator "onto the olive tiles of the 19th floor only lightly nagged by a sense of something wrong." E-mailers have since added several characters, including the heroine's eccentric Uncle James, her elephantine boss, William Evermore and her reclusive publisher, Marion Hyde Merriweather, whose mysterious death she is investigating.

□

Princess Diana has sought to quash speculation that her romance with the film producer **Dodi al Fayed** will lead to wedding bells. "I haven't taken such a long time to get out of a bad marriage to get into another one," she was quoted as telling the Daily Mail on Thursday. Meanwhile, after reports that Diana had consulted a psychic over the new man in her life, tabloids promptly hired their own clairvoyants to forecast the future. The omens were not good. The Israeli psychic **Uri Geller** told the Mirror: "I think their friendship will last a long time but I'm not sure if their love relationship will last." And **Daphne**, billed as America's top celebrity psychic, said, "They will go down a long road together but I don't feel that a marriage will be forthcoming."

□

Perhaps **John Kennedy Jr.** should be chiding his father's "bad behavior" along with that of his cousins. ABC's "20/20" will air an interview Friday with **Gunilla von Post**, 65, a Swedish woman who, the network says, "speaks for the first time about her love affair with **John F. Kennedy** more than 40 years ago." Von Post says she met Kennedy in the summer of 1953 on the French Riviera. He was a 36-year-old senator from Massachusetts; she was 21. She says they fell in love, and Kennedy confessed early on that he was engaged to another woman. That September, Kennedy married **Jacqueline Bouvier**. "I was hurt. Hurt. A bit angry, too, I guess," von Post tells "20/20's" **Lynn Sherr**. "I didn't understand . . . how you can feel strong for one person, and go and marry somebody else." She also claims that she and Kennedy spent a "magical week" together in Sweden in August 1955.

Kevin Lamarque/Reuters

A FAREWELL TO FUR? — A soldier wearing a "busby" bearskin hat standing guard in London as a model is being made up. Britain's defense minister, Lord Gilbert, wants the army to find synthetic alternatives to fur.

Elvis: 'You'll Think He's Back'

Agence France-Presse

MEMPHIS, Tennessee — Tens of thousands of Elvis Presley fans from around the world are gathering in Memphis for the spectacular memorial bash marking the 20th anniversary of his death.

The "Elvis Week" tribute will climax Saturday night with an "Elvis in Concert" extravaganza in a local coliseum featuring the King singing hits like "Hound Dog" and "Don't Be Cruel." Through the miracle of video technology, Elvis will be "there on the big screen, singing lead and hovering above the live orchestra and cast," said Todd Morgan, director of creative resources at the Graceland complex. "You'll think he's back."

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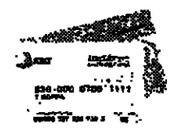

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